

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

**In the Matter of the Investigation into Kansas)
Gas Service Company, a Division of One Gas)
Inc. Regarding the February 2021 Winter) Docket No. 21-KGSG-332-GIG
Weather Events, as Contemplated by Docket No.)
21-GIMX-303-MIS.)**

**DIRECT TESTIMONY
AND TESTIMONY IN SUPPORT OF
SETTLEMENT AGREEMENT**

**** [REDACTED] ** Indicates Redacted Testimony**

**PREPARED BY

JUSTIN T GRADY

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION**

November 30, 2021

Contents

I.	Introduction, Qualifications, Purpose of Testimony	2
II.	Executive Summary	4
III.	Background Information	11
IV.	KGS Gas Purchase Costs	13
V.	Terms of the Settlement Agreement	26
VI.	Commission Standards for Approving Settlement Agreements	30
VII.	Support for the Settlement Agreement	31

I. Introduction, Qualifications, Purpose of Testimony

2

3 **Q. Please state your name and business address.**

4 A. My name is Justin T. Grady and my business address is 1500 Southwest Arrowhead
5 Road, Topeka, Kansas, 66604.

6 **Q. By whom and in what capacity are you employed?**

7 A. I am employed by the Kansas Corporation Commission (KCC or Commission) as
8 the Chief of Revenue Requirements, Cost of Service and Finance.

9 **Q. Please summarize your educational and employment background.**

10 A. I earned a Master of Business Administration degree, with a concentration in
11 General Finance which includes emphases in Corporate Finance and Investment
12 Management, from the University of Kansas in December of 2009. I also hold a
13 Bachelor of Business Administration degree with majors in Finance and Economics
14 from Washburn University. I have been employed by the KCC in various positions
15 of increasing responsibility within the Utilities Division since 2002. I have been a
16 Section Head in the Utilities Division since May of 2012, and have been employed
17 in my current capacity since August 2020.

1 While employed with the Commission, I have participated in and directed
2 the review of various tariff/surcharge filings and rate case proceedings involving
3 electric, natural gas distribution, water distribution, and telecommunications
4 utilities. In my current position, I have supervisory responsibility for the activities
5 of the Commission's Audit section within the Utilities Division. In that capacity, I
6 plan, manage, and perform audits relating to utility rate cases, tariff/surcharge
7 filings, fuel cost recovery mechanisms, transmission delivery charges, alternative-
8 ratemaking mechanisms, class cost of service studies, gas purchasing and hedging
9 plans, and other utility filings that may have an impact on utility rates in Kansas
10 including mergers, acquisitions, and restructuring filings.

11 **Q. Have you previously submitted testimony before this Commission?**

12 A. Yes. I have submitted written and oral testimony before this Commission on
13 multiple occasions regarding various regulatory accounting and ratemaking issues.
14 This work includes testimony filings in 66 dockets, including this one. A list of the
15 other dockets that encompass this experience is available upon request.

16 **Q. What is the purpose of your testimony in this docket pertaining to Kansas Gas**
17 **Service, a Division of One Gas, Inc. (KGS) and the events that occurred during**
18 **Winter Storm Uri in February 2021?**

19 A. In the testimony that follows, I will discuss Staff's review of the financial plan
20 presented by KGS to minimize the financial effects of Winter Storm Uri and the
21 extraordinary purchased gas costs incurred in order to provide continued service to
22 customers. Specifically, I will discuss Staff's review of the reasonableness of the
23 Plan, as well as Staff's review of the reasonableness and prudence of the

1 extraordinary purchased gas costs incurred by KGS during Winter Storm Uri.
2 Lastly, I am testifying in support of the settlement of the issues outlined in the
3 Settlement Agreement (Agreement) between Staff, KGS, the Citizens' Utility
4 Ratepayer Board (CURB), and the Natural Gas Transportation Customer Coalition
5 (NGTCC) (collectively, the Signatories).¹ In addition to providing testimony
6 pertaining to why Staff contends that the financial plan presented by KGS (as
7 modified by the Agreement) and the extraordinary gas costs incurred by KGS are
8 reasonable and prudent, I will explain why the Commission should approve the
9 Agreement as a reasonable resolution of the purchased gas issues in this Docket,
10 which is in the public interest and will produce just and reasonable rates.
11 Specifically, I will:

- 12 ○ provide background information about this Docket;
- 13 ○ provide an overview and discussion of the Agreement;
- 14 ○ discuss the standard of review used to guide the Commission in its
15 consideration of whether to accept the Agreement;² and
- 16 ○ discuss the evidence in the record that supports the Agreement.

17 **II. Executive Summary**

18
19 **Q. Please provide an executive summary of your testimony.**

20 **A.** In the testimony that follows, I will present and support the following conclusions:

¹ *Joint Motion to Approve Settlement Agreement*, Docket No. 21-KGSG-332-GIG (Nov. 19 2021).

² *Order Approving Contested Settlement Agreement*, Docket No. 08-ATMG-280-RTS, pp. 4-6 (May 12, 2008).

- 1 • Staff has reviewed the financial plan that KGS filed in this Docket (as modified
2 by the Agreement) and contends that it is a reasonable and balanced plan that
3 will appropriately minimize the financial effects to Sales customers of the
4 extraordinary gas costs KGS incurred during Winter Storm Uri, while allowing
5 KGS to maintain its financial integrity and recover the necessary carrying costs
6 associated with carrying these extraordinary costs through the date that
7 Securitized Utility Tariff Bonds (securitized bonds) can be issued, currently
8 estimated to be February 2023.
- 9 • The plan presented by KGS in this Docket, as modified by the Agreement, will
10 allow Sales customers to pay for the extraordinary costs associated with Winter
11 Storm URI over a period of time determined to be appropriate by the
12 Commission once KGS files for a Financing Order pursuant to the Utility
13 Financing and Securitization Act (the Act).³ Based on the calculations and
14 assumptions used by KGS witness Janet Buchannan in her Direct Testimony,
15 this would increase a typical residential customer bill by between \$5.07 and
16 \$9.30 a month, depending on the maturity of the securitized bonds. This is a
17 reduction from KGS' originally requested plan which would have resulted in
18 an average residential charge of between \$6 to \$11/month.
- 19 • While these charges are sure to be a hardship for many KGS customers, it is
20 certainly less of a hardship than it would be to pay for these costs through the

³ Kansas Utility Financing and Securitization Act, Senate Substitution for House Bill No. 2072, published in Kansas Register April 22, 2021, sos.ks.gov/publications/register/volume-40/issue%2016/04-22-21-49065.html.

1 normal course of business via the Cost of Gas Rider (COGR), which would call
2 for paying for these costs over a one year period, beginning in July 2021. That
3 treatment would have resulted in average residential bill increases of
4 approximately \$41.20/month, or a 67% increase.⁴ Even that result, while
5 untenable, would have been better than what customers of unregulated energy
6 marketing companies faced, with many receiving a onetime bills well in excess
7 of their normal yearly gas bill shortly after the storm.⁵

- 8 • Projected bill impacts like those described above is what lead the Commission
9 to take the extraordinary step of issuing the Emergency Order on Monday
10 February 15th, 2021, in Docket No. 21-GIMX-303-MIS.⁶ This Emergency
11 Order required Kanas utility companies to continue to do all things necessary
12 to provide lifesaving utility service during the extreme winter weather, but
13 additionally to take steps to insulate customers from the devastating financial
14 effects of paying for these extraordinary costs through the normal course of
15 billing for gas costs.
- 16 • The plan presented by KGS (as modified by the Agreement) recognizes that
17 there are real costs associated with allowing customers to pay off these balances
18 over an extended period of time, in this case, through the period of time that

⁴ \$41.20/month assumes fixed charge recovery and residential percentage of responsibility, as shown in KGS witness Buchanan's testimony. Additionally, scenarios assumes carrying charges of 2% incurred through June 2021.

⁵ For example: <https://www.kcur.org/education/2021-03-23/shawnee-mission-school-district-hit-with-1-6m-gas-bill-after-february-cold-snap>, and <https://hayspost.com/posts/eac9c328-679d-435c-8635-f8e2d462ef25>

⁶Emergency Order, Docket No. 21-GIMX-303-MIS, In the Matter of Record Natural Gas Prices and Potential System Reliability Issues from Unprecedented and Sustained Cold Weather, February 15, 2021, [https://estar.kcc.ks.gov/estar/ViewFile.aspx/Emergency_order_naturalgas.coldweather2_\(002\).pdf?Id=20da2a43-e05a-4255-acc4-deb442fcb6fb](https://estar.kcc.ks.gov/estar/ViewFile.aspx/Emergency_order_naturalgas.coldweather2_(002).pdf?Id=20da2a43-e05a-4255-acc4-deb442fcb6fb)

1 securitized bonds would likely be issued. The plan allows for the recovery of
2 these carrying costs at a 2% annual rate.

- 3 • While KGS' original plan was in compliance with the Commission's
4 Emergency Order in that it included carrying charges at KGS' Weighted
5 Average Cost of Capital (WACC) of 8.60%, the plan was modified as a result
6 of the Agreement to contain carrying costs of 2% through the period that
7 securitized bonds can be issued. This reduction in carrying costs resulted in a
8 \$55 million (78%) reduction of carrying charges in KGS' proposal from \$70.2
9 million to \$15.2 million.

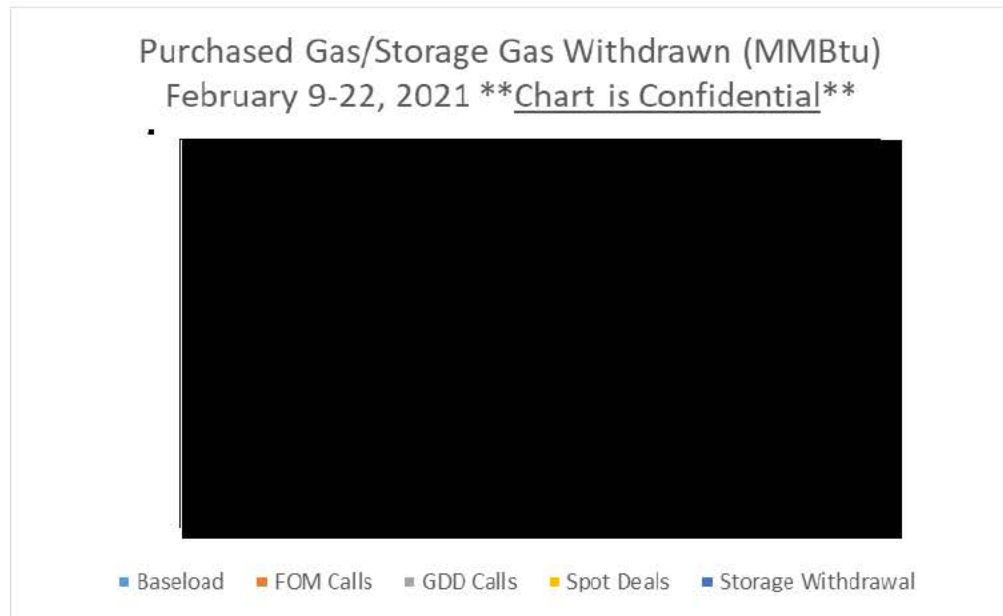
- 10 • In addition to Staff's review of the reasonableness of the financial plan
11 presented in this Docket, Staff has reviewed the reasonableness and prudence
12 of KGS' purchased gas costs incurred during Winter Storm Uri. Staff's review
13 indicates that KGS' gas purchases during February 2021 were consistent with
14 the Gas Purchase and Hedging Plan that the utility files on an annual basis. This
15 plan was filed by KGS on June 23, 2020, and Staff filed two Report and
16 Recommendations discussing separately its review of the gas purchase and
17 hedging aspects of the plan, which were filed on September 11, 2020.⁷

- 18 • The following confidential chart shows how KGS used a balanced source of gas
19 supplies during the event, which contributed to the results discussed above.

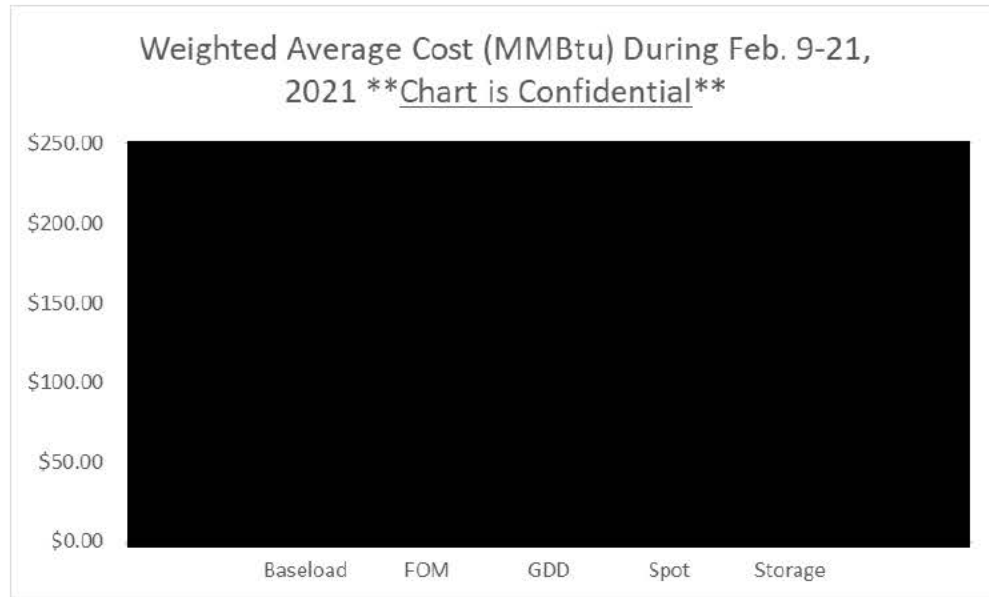
20 Notably, just 32% of the gas that KGS purchased during the event was subject

⁷ See: <https://estar.kcc.ks.gov/estar/ViewFile.aspx/S202009150813546514.pdf?Id=fe154513-8bcf-41b7-a50b-f144765695f3>, and
<https://estar.kcc.ks.gov/estar/ViewFile.aspx/S202009111633042448.pdf?Id=42d1a2ab-4232-45f6-9030-252984280dc3>

1 to the significant daily volatility and price spikes that were observed during
2 Winter Storm Uri.



- 3
- 4 • Additionally, this next chart shows how, despite KGS' use of multiple sources
- 5 of gas during the event, the Gas Daily Daily (GDD) callable and spot gas
- 6 purchases it made during this time contributed significantly to its overall cost
- 7 to serve customers, with the yellow line representing the weighted average cost
- 8 of gas during this period.



- While KGS' hedging and gas purchase plan was not able to completely insulate the utility or its customers from the extremely volatile daily natural gas market prices occurring during Winter Storm Uri, the balanced nature of its reliance on baseload purchases, First of the Month (FOTM) callable contracts, GDD callable contracts and spot gas purchases was able to result in KGS paying a weighted average cost of \$67.91/MMBtu for purchased gas during February 9-21.⁸ This was \$36.87/MMBtu lower than the average market price of \$104.78/MMBtu during this same time.⁹ When KGS storage withdrawals are considered in this number, Staff calculates the weighted average cost of gas delivered to KGS customers from February 9-22 to be \$46.07/MMBtu.

⁸ See Response to Staff Data Request No. 12 for total gas purchases during February 9-21, 2021 (Detailed confidential gas purchases not attached, but can be made available for the record at the evidentiary hearing).

⁹ Average spot market price of gas calculated as \$104.78/MMBtu by using the daily midpoint prices published for Feb. 9-22, 2021 by Platts Gas Daily for Southern Star, ANR Pipeline, NGPL Midcontinent, and Panhandle Eastern. These are the four pipelines for which prices are used to set monthly cashouts per KGS' tariff, Section 10.09.03.

- 1 • Turning to how these extraordinary costs impacted KGS purchased gas costs
 2 for the entire month of February, the response to data request NGTCC 02-03
 3 details that KGS' total purchased gas cost for the month of February 2021 was
 4 \$41.56/MMBtu. This cost of gas number accounts for all of KGS' gas
 5 purchases (baseload, FOTM callable, GDD callable and spot). This can be
 6 compared to the simple average of monthly index prices of \$51.19/MMBtu,
 7 which is calculated from the below table provided in KGS witness Robbins'
 8 testimony.

February	SSCGP	PEPL	NGPL	NGPL Amarillo	Enable	ANR	Cheyenne Hub
2021	\$75.311	\$45.860	\$46.763	\$33.918	\$84.510	\$38.164	\$33.850

- 9
 10
 11 • When you add in KGS' storage withdrawals of ** [REDACTED] **¹⁰ at an
 12 average cost of ** [REDACTED] **¹¹, you arrive at an average cost of
 13 delivered gas of \$30.93/MMBtu¹² for the month of February 2021. While this
 14 is still dramatically higher than the "normal" cost for February 2021 of \$2.57,
 15 as calculated by KGS witness Buchanan, it is also significantly less than many
 16 other Kansas gas customers paid, including the customers of American
 17 Energies Gas Service, Kansas Municipal Gas Agency, and Black Hills
 18 Energy.¹³

¹⁰ See Confidential response to Symmetry Data Request No. 1-007.

¹¹ See Confidential response to Staff Data Request No. 14.

¹² ** [REDACTED] **

¹³ The City of Eskridge, a KCC-jurisdictional municipal utility, paid ** [REDACTED] ** for gas to the Kansas Municipal Energy Agency (which purchased the gas from its suppliers) for the month of February 2021 (WACOG inclusive of storage gas). American Energies Gas Service, a small KCC-regulated gas utility in central Kansas paid ** [REDACTED] ** for its gas supply for the entire month of February. Black Hills Energy all in gas cost for the month of February 2021 can be found on page nine of the Confidential Testimony of Justin T. Grady filed in Docket No. 21-BHCG-334-GIG, November 22, 2021.

1 **III. Background Information**

2
3 **Q. Please provide a brief background of this Docket.**

4 A. On February 15, 2021, the Commission issued an Emergency Order relating to the
5 stress on utility and natural gas providers caused by the sub-zero temperatures,
6 which were causing increased energy demand and natural gas supply constraints
7 throughout Kansas. These issues caused wholesale natural gas prices to increases
8 from 10 to 100 times higher than normal. The Commission stated that Kansas
9 utilities were facing potential reliability issues related to the prolonged arctic
10 temperatures and, therefore, it intended to exercise its emergency powers pursuant
11 to K.S.A. 77-536(a). The Commission directed all jurisdictional natural gas and
12 electric utilities to coordinate efforts and take all reasonably feasible, lawful, and
13 appropriate actions to ensure adequate transportation and electricity to
14 interconnected, non-jurisdictional Kansas utilities. The Commission ordered the
15 utilities to do everything necessary to ensure natural gas and electricity service
16 continued to be provided to their customers in Kansas. The Commission authorized
17 every electric and natural gas utility to defer extraordinary costs relating to the
18 Winter Event to a regulatory asset account. The Commission also indicated that
19 deferred costs may also include carrying costs at the utility's WACC.

20 On March 9, 2021, the Commission opened this Docket to investigate the
21 effects of the Winter Event on KGS and its customers. The Commission stated that
22 it intended to analyze any extraordinary costs incurred during the Winter Event and
23 ordered KGS to file a plan to minimize the financial impact of the Winter Event on
24 customers.

1 On May 28, 2021, KGS filed a Motion for Limited Waiver (Motion for
2 Limited Waiver) in this docket seeking Commission authorization to deviate from
3 Section 11.06 of the KGS General Terms and Conditions for Gas Service (Tariff)
4 provisions in order to allow KGS to remove the multipliers from the calculation
5 of penalties incurred by marketers and Individually Balanced Transportation
6 Customers for violations of the Operational Flow Orders (OFO) and/or Period of
7 Curtailment Orders (POC) issued by KGS during Winter Storm Uri.

8 On October 8, 2021, a Joint Motion to Approve Non-Unanimous Settlement
9 Agreement was filed in this docket relating to the Motion for Waiver, which is
10 pending determination by the Commission.

11 On July 30, 2021, KGS submitted its plan to minimize the financial impact
12 of the Winter Event on customers in this Docket. Kansas Gas Service filed pre-
13 filed direct testimony and exhibits in support of its Financial Plan prepared by
14 Janet L. Buchanan, Mark W. Smith, Sean C. Postlethwait, Bernadette M. Johnson
15 and Matt L. Robbins. Under the Financial Plan, Kansas Gas Service would apply
16 for a Financing Order in a separate docket pursuant to the applicable provisions
17 contained in the Utility Financing and Securitization Act (the Act) passed by the
18 Kansas Legislature in 2021. The Financing Order would authorize the issuance of
19 securitized bonds to finance the extraordinary costs incurred by Kansas Gas
20 Service as a result of the 2021 winter weather event in order to minimize the
21 financial impact on the Company and its customers.

22 On November 4, 2021, the Commission issued an order establishing a
23 procedural order for the Financial Plan. Additionally, at various times throughout

1 the proceeding the Commission granted intervention to the following parties in
2 this Docket:

- (a) BlueMark Energy, LLC (BlueMark);
- (b) Freedom Pipeline, LLC (Freedom);
- (c) National Gas Transportation Customer Coalition (NGTCC);
- (d) Wood River Energy LLC (Wood River);
- (e) State of Kansas, *ex rel.*, Derek Schmidt, Attorney General (AG);
- (f) CURB;
- (g) Atmos Energy Corporation (Atmos Energy);
- (h) Constellation NewEnergy - Gas Division LLC (Constellation);
- (i) Symmetry Energy Solutions, LLC (Symmetry);
- (j) Catholic Diocese of Wichita;
- (k) Bonavia Properties LLC (Bonavia);
- (l) Temple Live Wichita LLC (Temple Live);
- (m) Foley Rebuild Center LLC and Foley Equipment Company (Foley); and
- (n) Central Christian Church of Wichita, Kansas.

3 **IV. KGS Gas Purchase Costs**
4
5

6 **Q. Has Staff reviewed the purchased gas costs KGS incurred during Winter**
7 **Storm Uri?**

8 A. Yes. Staff has performed a review of the reasonableness and prudence of the
9 purchased gas costs KGS incurred during Winter Storm Uri. Staff has reviewed
10 these costs in the context of whether they were consistent with the Gas Purchase

1 and Hedging Plan that the utility files on an annual basis, as well as whether the
2 costs were consistent with the standards established by the Commission for
3 purchased gas costs to be presumed prudent in the June 21, 2001 Order in Docket
4 No. 106,850 (the 106,850 Docket).

5 **Q. Is KGS required to file an annual Gas Purchase Plan and Hedging Plan with**
6 **the Commission?**

7 A. Yes. The Commission's June 21, 2001, Order in Docket No. 106,850 (106,850
8 Docket Order) requires KGS (and other local gas distribution utilities) to file an
9 annual Gas Purchase and Hedging Plan with the Commission. Additionally, KGS
10 is required to meet with Staff to discuss the contents of its plan, review the results
11 from the previous year, and discuss any concerns Staff have with the plan. This
12 requirement is restated from the Commission Order as follows:

13 An essential part of Commission oversight will be a meeting that
14 each utility must have with Staff at least once a year. The
15 Commission will require an annual meeting to review and discuss
16 the utility's gas portfolio, contracts and purchasing practices. At the
17 option of Staff, such meetings may be required for a utility more
18 frequently than once a year. The substance of these meetings should
19 be comprehensive and should include review of the next year's plans
20 for gas purchases, transportation, storage, capacity release, and risk
21 management. Other areas of concern may also be covered at the
22 meeting. At least 14 days prior to the meeting, the utility is to file a
23 written document which details its current situation, states its plans
24 for the next 12 months, and evaluates the manner in which its plans
25 for the prior year were followed or modified. The primary purpose
26 of the meetings is to discuss the utility's plans for the future year.
27 Evaluation of activities and plans of the previous year is to provide
28 a basis for considering whether changes might be appropriate. The
29 filings are to be made in formal utility-specific dockets, and may be
30 designated as confidential. After reviewing the proposed plan and

1 meeting with the utility, Staff is to file a memo with the
2 Commission.

3 **Q. Did KGS file a Gas Purchase and Hedging Plan with the Commission before**
4 **the 2020/2021 Winter?**

5 A. Yes. This plan was filed by KGS on June 23, 2020, in Docket No. 02-KGSG-414-
6 GPR. Staff and CURB met with KGS to discuss its plan on August 20, 2020, and
7 Staff filed two Report and Recommendations discussing separately, its review of
8 the gas purchasing and hedging aspects of the plan, on September 11, 2020.¹⁴

9 **Q. Has the Commission previously identified standards that gas purchase costs**
10 **should meet in order to be presumed prudent?**

11 A. Yes. In paragraph seven of its June 21, 2001 Order in the 106,850 Docket, the
12 Commission stated: “As guidance to Staff, the Commission will state that the
13 overall standard to use in reviewing the price of a gas contract is the “at market”
14 standard, stated otherwise as the standard existing in the relevant market at the time
15 of the purchase.”¹⁵

16 **Q. Did KGS adhere to this standard for purchases made during Winter Storm**
17 **Uri?**

18 A. Yes. As I will discuss in more detail below, KGS’ purchases were based on a stated
19 published index prices for the various pipelines interconnecting with KGS’ system.

¹⁴ See: <https://estar.kcc.ks.gov/estar/ViewFile.aspx/S202009150813546514.pdf?Id=fe154513-8bcf-41b7-a50b-f144765695f3>, and
<https://estar.kcc.ks.gov/estar/ViewFile.aspx/S202009111633042448.pdf?Id=42d1a2ab-4232-45f6-9030-252984280dc3>

¹⁵ See <https://estar.kcc.ks.gov/estar/ViewFile.aspx/20010621120433.pdf?Id=8c432a65-b3c8-4657-9675-370392b4efaf>

1 KGS' use of several suppliers of gas, several sources for that gas, and several
2 contracting strategies reduced the cost of KGS' gas during this event to below many
3 relevant benchmarks of market prices.

4 **Q. Please provide an overview of what KGS Gas Purchase and Hedging Plan**
5 **called for in terms of different types of gas purchases and storage withdrawal.**

6 A. The plan presented by KGS in June of 2020 called for KGS to financially hedge
7 **** [REDACTED] **** of its anticipated natural gas purchase requirements through the use of
8 call options tied to the natural gas futures traded on the New York Mercantile
9 Exchange (NYMEX). These financial hedges are then backed up by physical term
10 purchases of baseload gas at FOTM prices. For February 2021, this equated to
11 **** [REDACTED] **** MMBtu of gas backed by these call options, or **** [REDACTED] ****
12 **[REDACTED] ****¹⁶.

13 The plan also called for **** [REDACTED] **** of KGS gas volumes to come from
14 storage withdrawals for the year, or **** [REDACTED] **** for February 2021. For February
15 2021, this amounted to **** [REDACTED] **** MMBtu in storage withdrawal for the month
16 (**** [REDACTED] ****). Lastly, the plan called for purchasing **** [REDACTED] **** of
17 the purchases for the month at FOTM Index prices, either from baseload supplies
18 or callable FOTM gas, depending on weather and customer demand. This equated
19 to a planned **** [REDACTED] **** MMBtu of FOTM Index-based purchases during
20 February 2021 (**** [REDACTED] ****).

¹⁶ See Response to Staff Data Request No. 86.

In total, KGS' plan called for purchasing or withdrawing from storage
 ** [REDACTED] ** MMBtu of gas for the month of February 2021, or ** [REDACTED]
 [REDACTED] ** assuming normal winter weather.

The following confidential table summarizes the plan for the month of February
 2021:

Gas Purchase Type/Hedging	Monthly Plan for Normal February 2021 in MMBtu	Daily Plan for Normal February 2021 in MMBtu
Storage Withdrawals	[REDACTED]	[REDACTED]
Baseload Gas ¹⁷	[REDACTED]	[REDACTED]
First of the Month Calls	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

**Q. How did KGS' actual gas purchases and storage withdrawals during Winter
 Storm Uri compare to what was called for in the plan?**

A. From February 9-21, 2021, KGS purchased or withdrew from storage
 ** [REDACTED] ** MMBtu of natural gas, or 91% of forecasted demand planned for
 the entire month of February 2021. This equates to ** [REDACTED] **, or

¹⁷ The hedge plan called for purchasing call options on financial futures in order to place a price cap on 73% of this Baseload gas amount, equating to ** [REDACTED] ** MMBtu, or ** [REDACTED] **. **

1 1.96 times what was expected for normal February 2021 weather of ** [REDACTED]
 2 [REDACTED].**

3 Of this total, 33%, or ** [REDACTED] ** MMBtu (** [REDACTED] **)
 4 was withdrawn from storage at an average price of ** [REDACTED] ** per MMBtu. Recall
 5 that KGS' plan called for ** [REDACTED] ** or ** [REDACTED] ** MMBtu of storage gas for
 6 the entire month of February, or ** [REDACTED] **).

7 KGS also purchased ** [REDACTED] ** MMBtu, or ** [REDACTED] ** of its total gas,
 8 in the form of baseload gas, at an average price of ** [REDACTED] ** per MMBtu. Recall
 9 that KGS' plan called for ** [REDACTED] ** MMBtu (** [REDACTED] **) of baseload gas for
 10 the month of February 2021 or ** [REDACTED] ** for the 13 days of February
 11 9-21, 2021. While KGS' baseload gas was ** [REDACTED] ** below the
 12 expectations of the take plan in terms of total gas purchases during this period, as
 13 the Commission will see below, this was offset by an increase in the utilization of
 14 FOTM callable gas. Additionally, KGS experienced several supplier cuts of its
 15 baseload gas during this time (up to ** [REDACTED] ** of cuts on Feb. 15th)
 16 which limited the ability to purchase this gas.¹⁸ As discussed in more detail below,
 17 when FOTM call gas is considered, KGS purchased ** [REDACTED] ** of normal
 18 February demand through baseload gas or FOTM callable gas, essentially
 19 equivalent to the ** [REDACTED] ** of normal February demand as called for in the plan.¹⁹

¹⁸ See response to Staff Data Request No. 8.

¹⁹ ** [REDACTED] ** of Baseload gas plus ** [REDACTED] ** of FOTM callable gas equals
 ** [REDACTED] **, or ** [REDACTED] ** of ** [REDACTED] ** (** [REDACTED] ** of normal
 February demand for 13 days).

1 **[REDACTED]** of KGS' gas purchases during this time period
2 were FOTM callable gas purchases, or **[REDACTED]** greater than the
3 **[REDACTED]** called for in the monthly take plan for the 13 days from
4 February 9-21. During the winter weather event KGS purchased an average of
5 **[REDACTED]** of this gas, priced at the same average price as baseload
6 gas, or **[REDACTED]**. This is more than the **[REDACTED]** called
7 for in the monthly take plan as discussed above.

8 **[REDACTED]** of the gas KGS purchased during this time
9 was in the form of GDD callable contract purchases, at an average price of
10 **[REDACTED]** These are contracts which allow for a specified amount of
11 gas to be called on daily, at a specified margin above/below a daily index price.
12 While these contracts are not specifically called for as part of the normal weather
13 February take plan, they are an important part of the strategy to meet demand during
14 peak demand events like Winter Storm Uri. As such, KGS relied on up to
15 **[REDACTED]** of these purchases daily during the event.

16 **[REDACTED]** of the gas KGS purchased during February 9-
17 21 was in the form of daily spot priced gas, at an average cost of
18 **[REDACTED]** This gas is usually purchased on relatively short term notice
19 (usually one to five days), and is either stated in terms of a daily index price or a
20 fixed price. In KGS' case, all of their spot priced gas purchases made during the
21 event were based on a published daily index price.

1 The following confidential table shows how KGS' actual purchases during
 2 February 9-21, 2021 compared to the monthly take plan as shown in Exhibit XVI
 3 of the Gas Supply Plan.

Gas Purchase Type/Hedging	Daily Plan for Normal February 2021 in MMBtu	Actual Daily Average Purchases/ Withdrawal in MMBtu (Feb 9-21)
Storage Withdrawals	██████████	██████████
Baseload Gas	██████████	██████████
First of the Month Calls	██████████	██████████
Gas Daily Calls	-	██████████
Spot Purchases	-	██████████
Total	██████████	██████████

4

5 **Q. How did KGS' hedging purchases for February 2021 compare to what was**
 6 **called for in the plan?**

7 A. The plan presented by KGS in June of 2020 called for KGS to financially hedge
 8 **██████** of its anticipated natural gas purchase requirements through the use of
 9 call options tied to the natural gas futures traded on the NYMEX. These financial
 10 hedges were backed up by physical term purchases of baseload gas at FOTM prices
 11 (baseload and FOTM callable gas from above). For February 2021, KGS purchased

1 call options on **[REDACTED]** MMBtu of natural gas futures or **[REDACTED]
2 [REDACTED]**.²⁰

3 This means that the first **[REDACTED]** MMBtu of gas consumed by KGS
4 customers each day during this winter storm event was effectively price capped at
5 the weighted average strike price of the options (**[REDACTED]**), for the cost of the
6 option premium of **[REDACTED]** MMBtu.²¹ However, because the FOTM gas that
7 backed these call options was purchased at prices below the price cap, the call
8 options purchased by KGS expired without value.²² For the baseload gas that was
9 purchased over and above the volumes that were hedged by call options, the price
10 was the relatively low and stable FOTM price discussed above.

11 **Q. Does Staff believe that KGS' gas purchases during Winter Storm Uri are**
12 **consistent with what was called for in the Gas Purchase and Hedging Plan?**

13 A. Yes. The baseload and FOTM call contract purchases KGS made during the Winter
14 Weather Event were almost exactly what was called for in the monthly take plan.
15 KGS planned on **[REDACTED]** of its daily gas during a normal February coming from
16 baseload and FOTM call gas. During the time period of February 9-21, KGS
17 purchased **[REDACTED]** of baseload and FOTM call gas, or **[REDACTED]**%
18 of normal February demand for those 13 days, at an average price of
19 **[REDACTED]**.

²⁰ See Response to Staff Data Request No. 86.

²¹ See Attached Response to Staff Data Request No. 14.

²² Had the FOTM price in February 2021 been higher than \$**[REDACTED]**, the call options would have had positive value at expiration, thereby effectively capping the gas costs at **[REDACTED]** plus the price of the option premium.

1 While these purchases were similar to the plan in terms of absolute volumes
2 and relative to normal February demand, as a percentage of total gas purchases
3 during this period they were less. This is to be expected because baseload gas
4 purchases must be arranged in advance of the month that the gas will flow and these
5 gas supplies must be supplied in an equal amount each day during the month. KGS
6 maximized its use of the FOTM callable gas during this time as well, exceeding its
7 daily take rate discussed in the plan for normal weather. While KGS had ample
8 amounts of baseload and FOTM callable gas flowing each day assuming normal
9 weather, because demand was so extraordinarily high during the Winter Storm
10 (approximately twice the normal demand), gas daily callable gas and spot gas
11 purchases greatly exceeded the expectations of the plan, which drove up the
12 percentage of total gas purchases represented by this category, and reduced the
13 percentage of gas represented by baseload and FOTM callable gas.

14 Additionally, KGS relied on storage more during the Winter Weather event
15 than was called for in its plan. As discussed above, KGS withdrew an average of
16 ** [REDACTED] ** from storage during February 9-22, more than double the
17 ** [REDACTED] ** of daily storage withdrawals called for in the Gas Purchase
18 Plan. This allowed KGS to serve 33% of demand during the event with storage
19 withdrawals, more than called for during even a normal February. While KGS
20 faced some severe storage shortages during the event, at one time down to three
21 days storage on its key storage fields, KGS obviously utilized this resource in a

1 significant fashion, and as called for in the Gas Purchase Plan.²³ KGS began
2 February with **[REDACTED]** MMBtu in storage in its reserves (**[REDACTED]** of
3 Maximum), more than the **[REDACTED]** called for in its Gas Purchase Plan, and it
4 ended February with just less in storage reserves than called for in the Gas Purchase
5 Plan (**[REDACTED]** in storage versus **[REDACTED]** in the plan).²⁴

6 When you look at the gas purchases and storage withdrawals in total during
7 the event, KGS purchased or withdrew from storage an average of **[REDACTED]
8 [REDACTED]** in gas each day for 13 days. This is **[REDACTED]**, more, or
9 nearly double the average daily take plan of **[REDACTED]** identified in the
10 Gas Purchase Plan. **[REDACTED]** of this demand was met with baseload
11 and FOTM callable gas, as called for in the Gas Purchase Plan. That left the
12 remaining demand to be met by storage withdrawals and spot/gas daily callable
13 purchases. KGS increased its storage withdrawal an average of **[REDACTED]
14 [REDACTED]** per day and made an average of **[REDACTED]** of gas daily
15 callable and spot purchases to meet this demand.

16 It is obvious that KGS' increased reliance on spot/gas daily callable gas was
17 due to the extraordinary customer demand for natural gas during the winter weather
18 event. This can be observed by the fact that KGS' baseload and FOTM call gas
19 was approximately equal to the expectations set forth in the Gas Purchase Plan for
20 normal February weather and the fact that KGS' utilization of storage exceeded the
21 amounts set forth in the Gas Purchase Plan. Another factor to consider is the fact

²³ See Response to Staff Data Request No. 90.

²⁴ Note, the Gas Purchase Plan calls for specific monthly storage levels throughout the year, with the withdrawal season ending at the end of March at **[REDACTED]** full.

1 that KGS rarely purchases spot gas to meet customer demand. For instance, KGS
2 purchased **[REDACTED]** spot gas to serve customers in January 2021, and only purchased
3 spot priced gas in **[REDACTED]** out of the last 60 months.²⁵ This clearly demonstrates
4 that during times of normal winter weather, KGS' gas purchase plan relies very
5 little on spot market purchases, but during extreme weather events like experienced
6 during Winter Storm Uri, these purchases became a major source of gas for KGS.

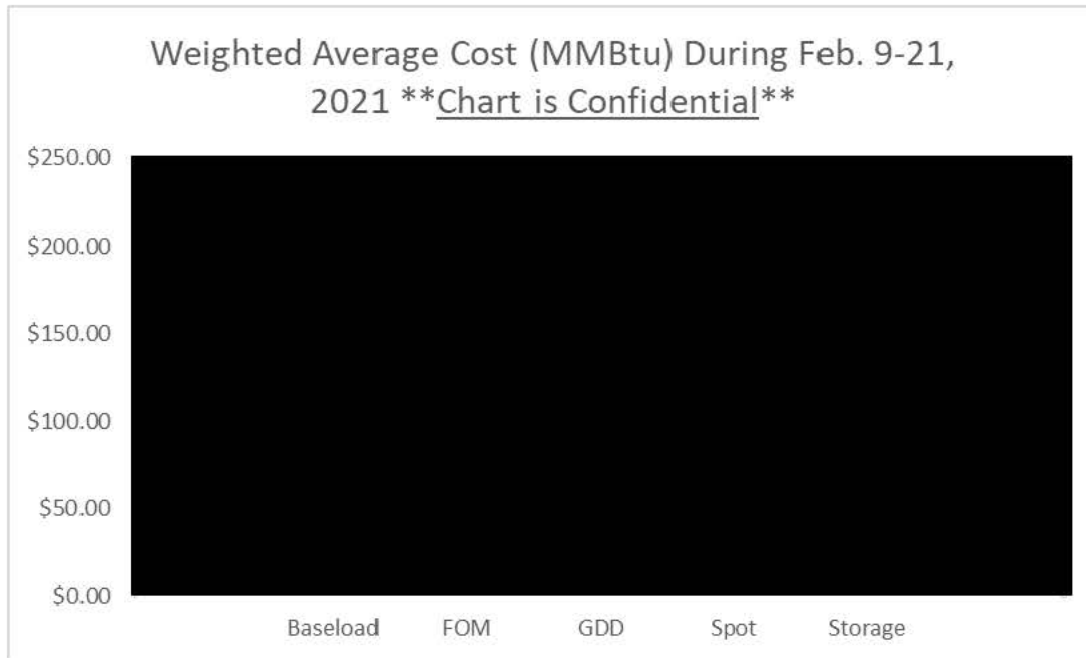
7 The following confidential charts recap in graphical form the distribution of
8 KGS gas purchases during the Winter Weather Event, as well as the weighted
9 average cost of each purchase type.

Purchased Gas/Storage Gas Withdrawn (MMBtu)
February 9-22, 2021 **Chart is Confidential**



■ Baseload ■ FOM Calls ■ GDD Calls ■ Spot Deals ■ Storage Withdrawal

²⁵ See Response to Staff Data Request Nos 13 and 86.



Q. Do you believe that the gas purchase costs incurred by KGS during this winter weather event should be considered prudent, reasonable expenses?

A. Yes. The overall standard the Commission has provided to Staff to review the prudence and reasonableness of purchased gas costs is the “at the market” standard as discussed in the 106,850 Docket Order. KGS’ purchases during this time period were consistent with, if not lower than, prevailing market prices during this time frame. KGS paying a weighted average cost of \$67.91/MMBtu for purchased gas during February 9-21.²⁶ This was \$36.87/MMBtu lower than the average market price of \$104.78/MMBtu during this same time.²⁷

²⁶ See Response to Staff Data Request No. 12 for total gas purchases during February 9-21, 2021.

²⁷ Average spot market price of gas calculated as \$104.78/MMBtu by using the daily midpoint prices published for Feb. 9-22, 2021 by Platts Gas Daily for Southern Star, ANR Pipeline, NGPL Midcontinent, and Panhandle Eastern. These are the four pipelines for which prices are used to set monthly cashouts per KGS’ tariff, Section 10.09.03.

If we consider instead the market competitiveness of KGS' purchased gas costs for the entire month of February, the result is similar. The response to data request NGTCC 02-03 details that KGS' total purchased gas cost for the month of February 2021 was \$41.56/MMBtu. This cost of gas number accounts for all of KGS' gas purchases (baseload, FOTM callable, GDD callable and spot). This can be compared to the simple average of monthly index prices of \$51.19/MMBtu, which is calculated from the below table provided in KGS witness Robbins' testimony.

February	SSCGP	PEPL	NGPL	NGPL Amarillo	Enable	ANR	Cheyenne Hub
2021	\$75.311	\$45.860	\$46.763	\$33.918	\$84.510	\$38.164	\$33.850

Lastly, KGS' purchases were consistent with its long-standing purchase practices as filed with the Commission in its annual Gas Purchase and Hedging Plan. From everything I have reviewed, I believe that KGS' gas purchases during Winter Storm Uri were prudent, necessary expenditures that were required to continue providing this vital utility service during this extraordinary winter weather event.

V. Terms of the Settlement Agreement

Q. Please provide an overview of the Agreement.

A. The Agreement provides that KGS' extraordinary costs of \$366,158,817, inclusive of \$358,086,241 in purchased gas costs, incurred during Winter Storm Uri, were prudently incurred and that KGS shall be allowed to recover the costs from

1 customers by seeking Commission approval of a financing order pursuant to the
2 Utility Financing and Securitization Act (the Act). The financing order, if approved
3 by the Commission in a separate docket, would allow for KGS to issue securitized
4 bonds in order to finance the extraordinary costs.

5 In recognition of the costs of KGS carrying these balances until securitized
6 bonds can be issued (assuming Commission approval), KGS shall be allowed to
7 recover carrying charges of 2% on the outstanding balance of these extraordinary
8 costs. This is a reduction from the 8.6012% included in KGS' original application,
9 and allowed to be recorded in the regulatory asset account as stated in the
10 Commission's Emergency Order. This reduction in carrying charges results in
11 reducing the carrying charges from approximately \$70 million over the above
12 referenced period to approximately \$15 million, producing a savings of \$55 million
13 for customers.

14 KGS agrees to defer determination by the Commission on items relating
15 to the securitized bonds, such as the term of the bonds and how the securitized
16 utility tariff charge will be recovered from KGS' sales customers to the separate
17 filing for approval of its issuance of securitized bonds.

18 The amount of gas cost identified above as prudently incurred
19 extraordinary costs removes \$14,940,073 associated with a disputed Macquarie
20 invoice as identified in the financial plan after November, 2021. If at the time of
21 the separate filing for the issuance of securitized bonds, the invoice dispute has
22 been resolved, KGS will include the resolved amount, if any, in the amount to be

1 securitized. However, if the dispute is not resolved at the time of the separate filing,
2 then the Joint Movants agree that KGS can seek recovery of the amount, if any,
3 ultimately paid by KGS relating to the disputed Macquarie invoice, including any
4 costs and attorneys' fees incurred relating to the disputed Macquarie invoice, upon
5 resolution, either through the COGR/ACA or allowed to be deferred and recovered
6 in a future rate case.

7 Any reconciliation proposal included by KGS in its separate filing for
8 approval to issue the securitized bonds shall consider both the deferred tax liability
9 associated with the extraordinary gas cost recoveries, as well as the corresponding
10 and offsetting deferred tax asset associated with the net operating loss carryforward
11 created by the extraordinary costs.

12 If KGS receives or recovers any payments as a result of any subsequent
13 federal or state governmental relief in the form of profit disgorgement, civil suit
14 relief, market manipulation findings, etc., resulting from the Winter Event, it shall
15 pass those payments on to its customers through its COGR/ACA, even if those
16 payments may be received or recovered after the expiration of the Securitized
17 Utility Tariff Charge.

18 Provided that such would be allowed under the Act, the Joint Movants agree
19 that the Securitized Utility Tariff Charge will not be charged to transportation
20 customers because those transportation customers are not considered retail
21 customers as that term is used in the Act.²⁸

²⁸ This term is designed to prevent a customer from avoiding payment of its portion of the costs and thereby shifting the burden to other customers.

1 By December 31, 2022, KGS will propose a tariff to assist low-income
2 customers.

3 Provided that such would be allowed under the Act, any KGS sales
4 customer, who intends on becoming a KGS transportation customer during the
5 period in which the Securitized Utility Tariff Charge is being recovered shall be
6 required to pay a conversion fee prior to becoming a transportation customer. The
7 conversion fee owed by the customer shall be based on the present value of the
8 expected charges the customer would have paid as a sales customer over the
9 remaining period in which the Securitized Utility Tariff Charge is being recovered.
10 This conversion fee will be credited to KGS' other sales customers once a year
11 through the COGR/ACA.

12 KGS agrees to reduce the carrying charge rate applied to amounts set forth
13 in the Settlement on Waiver to the 2.0% carry charge rate agreed to in this
14 Agreement and to recalculate the amounts owed under that settlement agreement
15 by the transportation customers. In consideration for this agreement to reduce the
16 carrying charge rate for the transportation customers, NGTCC, Catholic Diocese
17 of Wichita, Bonavia, Temple Live, Foley and Central Christian Church of Wichita,
18 Kansas, will withdraw their objection, if any, and support the revised settlement
19 agreement in the Settlement on Waiver Proceeding.
20

1 **VI. Commission Standards for Approving Settlement Agreements**

2
3 **Q. Has the Commission previously used factors or standards to review a**
4 **settlement agreement?**

5 A. Yes. The Commission's Order in Docket No. 08-ATMG-280-RTS (08-280
6 Docket) discusses five factors, or standards, and multiple agreements have been
7 reviewed by the Commission using the five factors since that Order.²⁹

8 **Q. What standards does the Commission generally examine when considering a**
9 **nonunanimous settlement agreement?**

10 A. The Commission may accept a nonunanimous settlement agreement so long as:

- 11 1. There was an opportunity for the opposing party to be heard on their reasons for
12 opposition to the settlement agreement;
13 2. The settlement agreement is supported by substantial competent evidence in the
14 record as a whole;
15 3. The settlement agreement conforms to applicable law;
16 4. The settlement agreement results in just and reasonable rates; and
17 5. The settlement agreement is in the public interest, including the interest of
18 customers represented by the parties not consenting to the agreement.

19 Each of these factors is discussed individually below.
20
21

²⁹ *Order Approving Contested Settlement Agreement*, 08-280 Docket, p. 5 (May 12, 2008).

1 **VII. Support for the Settlement Agreement**

2
3 **Q. Please address whether there was an opportunity for the opposing party to be**
4 **heard on their reasons for opposing the settlement agreement.**

5 A. There was ample opportunity for extensive vetting of all issues in this matter
6 through data requests and information sharing. KGS responded to more than 100
7 data requests from the Parties in the case. Representatives from all Parties
8 participated in a technical/settlement conference held on November 8, 2021.
9 Settlement discussions occurred through November 19, 2021. The Agreement
10 provided to the Commission by the Signatories was reached on November 19, 2021,
11 and filed on November 19, 2021. During these settlement conferences and
12 discussions, all Parties were afforded an opportunity to raise issues, ask questions,
13 exchange information, and engage in negotiations. Many significant concessions
14 and compromises were made by all participants on numerous difficult issues
15 throughout these negotiations.

16 On November 30, 2021, the Commission revised the procedural schedule,
17 clarifying the opportunities for all parties to be heard with respect to their support
18 or opposition to the terms of the Agreement. The revised procedural schedule
19 approved in this Docket allows for prefilled testimony in support on November 30,
20 2021, and testimony in opposition being due on December 13, 2021. The schedule
21 also calls for an evidentiary hearing on December 17, 2021 and simultaneous briefs
22 on January 5, 2022. It should be abundantly clear to the Commission that the one
23 party that opposes this agreement has had, and will continue to have, an opportunity
24 to be heard.

1 **Q. Please address whether the Agreement is supported by substantial competent**
2 **evidence in the record as a whole.**

3 A. The Agreement is supported by substantial competent evidence in the record as a
4 whole. KGS witnesses Janet Buchanan, Mark Smith, Sean Postlethwait, Matt
5 Robbins, and Bernadette Johnson filed Direct Testimony explaining KGS' position
6 with regard to the financial plan and the actions taken to purchase gas during the
7 Winter Weather Event. Staff has performed its own independent review of these
8 expenditures and the carrying costs necessary to extend recover of these
9 extraordinary costs until the securitized bonds can be issued, and is filing this
10 testimony in support of that review. My understanding is that CURB and NGTCC
11 will also be filing testimony in support of this Agreement and why those parties
12 believe the Commission should accept this agreement. Additionally the
13 Commission will have the opportunity to question these witnesses if necessary and
14 add to the record at an evidentiary hearing. I believe there is and will be, ample
15 evidence in the record to support approval of this Agreement.

16 **Q. How was the carrying charge contained within the Agreement arrived at by**
17 **the Parties?**

18 A. There is no specific calculation identified in the Agreement that supports the
19 carrying charge amounts; therefore, each party may have a different understanding
20 of the concessions agreed to in order to produce this result. From Staff's
21 perspective, the carrying charges reflect the cost of KGS' recently issued short-term
22 debt to cover the Winter Storm Uri costs until securitized bonds could be issued. It
23 also recognizes that some of the debt issued is variable rate debt, with a level of

1 uncertainty as to what the interest rate will actually be over this term. Additionally,
2 the carrying charge recognizes the need for ONE Gas to maintain its investment
3 grade credit rating, especially after this credit rating was recently downgraded by
4 both S&P (two notches) and Moody's (one notch).³⁰ While this carrying charge
5 accomplishes each of the above goals, it also represents a sizable reduction from
6 the WACC of 8.6012% that KGS had been carrying on these costs.

7 **Q. Will the Agreement result in just and reasonable rates?**

8 A. Yes it will. While the Agreement does not change rates right now, it sets forth a
9 plan for KGS to file for securitized bonds in order to recover these extraordinary
10 costs over an extended period, thus keeping customer rates affordable, while also
11 keeping financing rates low. Staff contends this Agreement will result in rates that
12 fall within the "zone of reasonableness" described by the Kansas courts in which
13 the result is balanced between the interests of investors versus ratepayers, present
14 versus future ratepayers, and is in the public interest generally. This opinion is
15 supported by the fact that KGS' purchased gas costs were on average, below the
16 market price for natural gas during this period, and these costs were consistent with
17 KGS' Purchased Gas and Hedging Plan.

18 The agreed upon carrying charges strike the proper balance between the
19 Company's desire to have a reasonable assurance that it will earn sufficient
20 revenues and cash flows to meet its financial obligations and maintain its
21 investment grade credit rating so that it can keep borrowing costs as low as possible,

³⁰ See response to Staff Data Request No. 32.

1 with the customers' interests of extending this payment period for as long as
2 possible while reducing the cost of this extended payment option as much as
3 possible.

4 The presence of professional expert witnesses and attorneys helps ensure
5 that any unreasonable position(s) taken by any party are eliminated by opposing
6 parties through the settlement process. More specifically, while an unreasonable
7 position(s) may or may not be discussed explicitly in settlement, each party is
8 generally unwilling to make concessions to unreasonable position(s) and will
9 exclude such unreasonable position(s) from their respective settlement positions.
10 Simply put, a settlement that is able to satisfy each of these very diverse and
11 competing interests is not easy to accomplish. The fact that all but one party in this
12 case, with diverse and often competing interests, have found common ground for
13 resolving their respective issues, strongly supports Staff's contention that the
14 Agreement in this case will result in just and reasonable rates that are in the public
15 interest.

16 **Q. Are you aware of the balancing test set forth by the Kansas Supreme Court**
17 **for determining whether rates are "just and reasonable"?**

18 A. Yes, the Kansas Supreme Court has stated:

19 The leading cases in this area clearly indicate that the goal should be a rate fixed
20 within the "zone of reasonableness" after the application of a balancing test in
21 which the interests of all concerned parties are considered. In rate-making cases,
22 the parties whose interests must be considered and balanced are these: (1) the
23 utility's investors vs. the ratepayers; (2) the present ratepayers vs. the future
24 ratepayers; and (3) the public interest.³¹

³¹ *Kan. Gas and Electric Co. v. State Corp Comm'n*, 239 Kan. 483, 488 (1986).

1

2 **Q. What evidence in this case should be considered when performing the**
3 **balancing test set forth by the Kansas Supreme Court?**

4 A. Staff's contention is the Agreement before the Commission easily passes the
5 balancing test set forth by the Kansas Supreme Court. The following supports this
6 assertion:

7 (1) The agreed-upon purchased gas cost recovery plan balances the interests
8 of the utility's investors and the ratepayers because the gas costs it covers
9 were reasonable and prudent expenses that were necessary to provide vital
10 and likely life-saving utility service during the most extreme winter weather
11 event in decades.

12 (2) The utility incurred these costs in compliance with the Commission's
13 Emergency Order and as a result of its legal obligations to provide efficient
14 and sufficient utility service to Kansas customers. Absent evidence that
15 these costs were unnecessary, excessive, inefficient, or imprudently
16 incurred, the utility is entitled by law to an opportunity to recover these
17 costs. To do otherwise would likely violate the Takings Clause of the Fifth
18 Amendment to the United States Constitution as well as the Due Process
19 Clause of the Fourteenth Amendment.³²

³² The Fifth Amendment provides that, "No person shall...be deprived of...property, without due process of law; nor shall private property be taken for public uses without just compensation." The Fourteenth Amendment provides that "No State ...shall deprive any person of...property, without due process of law..."—See--Leonard Saul Goodman, *The Process of Ratemaking*, p. 24 (Public Utility Reports, Inc., 1998).

1 (3) The Agreement lowers the carrying cost between now and when
2 securitized bonds can be issued, to a reasonable and low cost of 2%.

3 (4) The fact that all three factors above have been met is itself an indication
4 that the Agreement is in the public interest generally. I will discuss this in
5 greater detail below.

6 **Q. Does Staff believe the results of the Agreement are in the public interest?**

7 A. Yes. There were multiple interests represented by the parties involved in the
8 negotiations: CURB representing the interests of residential and small commercial
9 ratepayers; KGS representing the interest of its management and shareholders; and
10 another intervener representing the interest of transportation customers (NGTCC).
11 Staff was attempting to balance each of those interests while representing the
12 interests of the public generally. The fact that these varied interests were able to
13 collaborate and present a nearly unanimous resolution of the issues in this case
14 strongly indicates the public interest standard has been met.

15 Generally speaking, the public interest is served when ratepayers are
16 protected from unnecessarily high prices, discriminatory prices and/or unreliable
17 service. More specifically, it is Staff's opinion that the Agreement meets the
18 public interest because:

- 19 • It reduces the anticipated monthly payment amount of KGS' requested financial
20 plan from \$6 to \$11 a month down to \$5 to \$9 a month, based on a reduction of
21 the carrying charge rates that will apply until securitized bonds can be issued;

- 1 • It provides KGS with sufficient revenues and cash flows to meet its financial
2 obligations, support its investment grade credit rating, and continue to provide
3 reliable service;
- 4 • It includes a provision to collect a conversion fee from any sales customer that
5 would convert to a transportation customer once the securitized bonds have
6 been issued, as long as the Commission determines that it is appropriate to do
7 so under the Act;
- 8 • It includes a provision that lowers the carrying charges that apply to marketers
9 and individually balanced transportation customers in the Settlement agreement
10 reached in the Waiver Proceeding. This allowed several other intervenors
11 (NGTCC, Catholic Diocese of Wichita, Bonavia, Temple Live, Foley, and
12 Central Christian Church of Wichita Kansas) to support the Settlement
13 Agreement in the Waiver Proceeding.
- 14 • It includes a provision whereby KGS agrees to file a tariff by December 31,
15 2022 to assist low income customers in its service territory.
- 16 • In settlement negotiations, each of the parties represented their respective
17 interests by putting time, thought, and professional analysis into deriving a
18 settlement position it found reasonable;
- 19 • The settled financial plan was based on the record and is a reasonable
20 compromise among the Parties based on each party's own analysis of a
21 reasonable outcome; and

- 1 • If this Agreement is approved, the Parties would avoid the costly and time-
2 consuming process of a fully-litigated hearing. It is in the public interest to
3 avoid these costs if possible and this Agreement accomplishes this result.

4 **Q. Should the Commission accept the Agreement as a reasonable resolution of**
5 **the issues in this Docket?**

6 A. Yes, the Agreement represents a reasonable resolution of the issues in this Docket,
7 results in just and reasonable rates, is in the public interest, and is supported by
8 substantial competent evidence in the record.

9 **Q. Does this conclude your testimony?**

10 A. Yes, thank you.

Docket No. 21-KGSG-332-GIG

Responses to Staff Data Requests

Attached to Direct Testimony of Justin T. Grady

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 21-KGSG-332-GIG
Information Request

Data Request: 21-332 KCC-008
Issuer Organization: KS KCC
Request Date: 2021-03-26
Date Information Needed: 2021-04-16
Requested By: Andria Jackson

Page 1 of 1

RE: Gas Utility - Pipeline Performance

Please provide the following: 1. Did Kansas Gas Service experience any gas supply or transportation limitations/disruptions during the winter weather event? If so, please detail these issues. Did those supply or transportation limitations result in natural gas distribution service limitations during the event?

2. Did Kansas Gas Service experience any equipment malfunctions on interstate gas pipelines that need to be remedied in the future?

This response contains proprietary financial and business information the Company has deemed and treats as "CONFIDENTIAL" and as such, the information contained herein is subject to the Confidential treatment and protections proscribed in K.S.A. 66-1220a., K.A.R. 82-1-221a and the Protection Order issued in this docket. The improper release of the confidential information may result in irreparable economic harm to the Company and its customers.

KGS Response:

1. KGS received Operational Flow Orders (OFOs) from most upstream providers which required daily balancing. KGS also received numerous pipeline notices addressing various issues including: plant underperformance issues, critical weather notices, and force majeure. Despite the Company's adherence to the OFO restrictions and the receipt of the notices of force majeure, KGS was able to deliver uninterrupted gas service to its Gas Supply customers throughout the winter weather event. Please see, "CONFIDENTIAL 21-332-KCC-008 Attachment" for a listing of the notices received and the associated effective dates.
2. KGS was not informed of any equipment malfunctions that occurred on the interstate gas pipelines.

Prepared by: Matt Robbins and Lauren Baeten

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 

Larry Dykes

Date: April 16, 2021

#	Entity	ID#/Post#	Superceding	Prior	Notification	Type	Comment	Posted	Start	End	Released
1	SSCGP	9677			OFO	Line Segment Specific	Del. Loc OFO LS 235, 425, 260, 455, 120, 130, 490	02/09/21	02/11/21	02/17/21	
2	SSCGP	9676			OFO	Storage	Standard System wide OFO on Storage Withdrawals and Inventory	02/09/21	02/11/21	02/17/21	
3	SSCGP	9686			OFO	Line Segment System-wide	Del. Loc OFO, Standard System wide OFO All Line Segments	02/11/21	02/13/21	Open	
4	SSCGP	9702		9676	OFO	Storage Update Extended	Standard System wide OFO on Storage Withdrawals and Inventory	02/15/21	02/15/21	02/20/21	
5	SSCGP	9703		9686	OFO	Line Segment System-wide	Update Extending	02/15/21	02/15/21	02/19/21	
6	SSCGP	9720	9676 & 9702		OFO	Storage Update	Shortening time period	02/17/21	02/17/21	02/19/21	
7	SSCGP	9721	9686 & 9703		OFO	Line Segment System-wide	Shortening time period	02/17/21	02/17/21	02/19/21	
8	SSCGP	9722			OFO	Line Segment Specific	Del. Loc OFO, LS 315, 458, 340, 385, 400, 405, 380, 260, 225, 450, 420	02/17/21	02/19/21	02/23/21	
9	KGS				OFO	Curtailement	2/14 Gov Issued State of Disaster -KGS Issued POC - Alt Fuel, Plant P	02/15/21	02/15/21	Open	02/23/21
10	KGS				OFO	Emergency Customer Specific	Evergy Power Plant OFO, 30K Limit	02/12/21	02/12/21	Open	02/24/21
11	KGS				OFO	Standard	Over Delivery - All T-port "K" and "T" Interstate and Mainline	02/09/21	02/11/21	Open	02/23/21
12	KGS				OFO	Customer Specific	Under delivery Symmetry	02/25/21	02/25/21	03/01/21	3/1/2021
Other OFOs											
13	TIGT	8630			OFO	TIGT SYSTEM-WIDE CRITICAL TIME OPERATIONAL FLOW ORDER(OFO)	TIGT is issuing a Critical TimeOperational Flow Order("OFO"),pursuant to Section 33.6of the General Terms and Conditions of its currently effective tariff,to maintain system integrity.It is estimated that this OFO will be in effect until further noticeddepending upon the weather and operating conditions.	02/12/21	02/12/21	02/19/21	2/19/2021
14	PEPL	8931			OFO	NOTICE OF OPERATIONAL FLOW ORDER (Field Zone)	All nominations for receipts must match the flow of gas volumes physically delivered to receipt points in the Field Zone until further notice. 02/19/2021 - NOTICE OF OPERATIONAL FLOW ORDER (Field Zone) - Termination Circumstances have improved such that Panhandle is terminating its February 15, 2021 OFO effective immediately	02/15/21	02/15/21	02/19/21	
15	PEPL	8936			OFO	NOTICE OF OPERATIONAL FLOW ORDER (Field Zone) Termination	Effective immediately, ONEOK WesTex Transmission, LLC (OWT) is terminating the system-wide Operational Flow Order (OFO) issued Gas Day February 15. An SOL has been called for all Market Area zones (ABC, D and EF) with 0% SMS available for Gas Day Friday, February 12, 2021, due to lower than normal system-weighted temperatures.	02/19/21	02/19/21	02/19/21	
16	MCMC				OFO	system-wide		02/21/21	02/15/21	02/22/21	
17	NNG	58404			SOL	Operational Alert/SOL	Due to the severe weather conditions experienced in Northern's Market and Field Areas, the impact of well-head freeze offs in Northern's Field Area and significant natural gas price volatility, Northern is calling a Critical Day applicable to delivery points located in all Market Area zones and Field Area MIDs effective for the Gas Day beginning at 9 a.m. on Saturday, February 13, 2021. The significance of a Critical Day being called is if a shipper takes deliveries from the pipeline in excess of scheduled quantities, such shipper may incur higher penalties as set forth on Tariff Sheet No. 53,and the DDVC rates page on Northern's website. An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Saturday, February 13, 2021, due to lower than normal system-weighted temperatures.	2/10/2021	2/12/2021	2/13/2021	
18	NNG	58494			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Sunday, February 14, 2021, due to lower than normal system-weighted temperatures.	2/12/2021	2/13/2021	2/14/2021	
19	NNG	58449			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Sunday, February 14, 2021, due to lower than normal system-weighted temperatures.	2/11/2021	2/13/2021	2/14/2021	
20	NNG	58450			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Wednesday, February 17, 2021, due to lower than normal system-weighted temperatures.	2/11/2021	2/14/2021	2/15/2021	
21	NNG	58652			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Thursday, February 18, 2021, due to lower than normal system-weighted temperatures.	2/15/2021	2/17/2021	2/18/2021	
22	NNG	58765			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Friday, February 19, 2021, due to lower than normal system-weighted temperatures.	2/16/2021	2/18/2021	2/19/2021	
23	NNG	58898			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 50% SMS available for Gas Day Saturday, February 20, 2021, due to lower than normal system-weighted temperatures.	2/17/21	2/19/2021	2/20/2021	
24	NNG	58950			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 50% SMS available for Gas Day Sunday, February 21, 2021, due to lower than normal system-weighted temperatures.	2/18/2021	2/20/2021	2/21/2021	
25	NNG	59051			SOL	Operational Alert/SOL	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 50% SMS available for Gas Day Monday, February 22, 2021, due to lower than normal system-weighted temperatures.	2/21/2021	2/21/2021	2/22/2021	
26	NNG	59052			SOL	Operational Alert/SOL	SMS percentage has been changed to 100% for Gas Day Sunday, February 21, 2021.	2/18/2021	2/22/2021	2/21/2021	
27	NNG	59229			SOL	Operational Alert/SOL		2/21/2021	2/21/2021	2/22/2021	

#	Entity	ID#	Notification	Plant / Location	Comment	Posted	Start	End
1	SSCGP	9668	Underperformance	Rose Valley (Location 17006)	SSC May limit Volumes to Actuals	2/8/2021	2/8/2021	2/9/2021
2	SSCGP	9671	Underperformance	KGST Ark River (Location 14971)	SSC May limit Volumes to Actuals	2/8/2021	2/8/2021	2/9/2021
3	SSCGP	9679	Underperformance	Scout - Jayhawk (Location 16289)	SSC May limit Volumes to Actuals	2/9/2021	2/9/2021	2/9/2021
4	SSCGP	9680	Underperformance	Targa Waynoka (Location 16912)	SSC May limit Volumes to Actuals	2/9/2021	2/9/2021	2/9/2021
5	SSCGP	9681	Underperformance	Multiple Locations Intaday 2 and 3: SemGas – Rose Valley (Location 17006) Velma Gas Plant (Location 15430) ETC – Crescent (Location 16999) ETC – Hemphill (Location 16621) Cheyenne Plains – Sand Dune (Location 16813) Scout – Jayhawk (Location 16289) OFS Maysville (Location 7158) River Rock – Fireside (Location 16757) OkTex Marsh (Location 11435) Targa – Waynoka (Location 16912) Superior Hemphill (Location 16820) Questar Skull Creek (Location 15236)	SSC May limit Volumes to Actuals	2/9/2021	2/9/2021	2/10/2021
6	SSCGP	9683	Underperformance	Multiple Locations Intaday 1, 2 and 3: SemGas – Rose Valley (Location 17006) Scout - Jayhawk (Location 16289) EOIT – Alfalfa (Location 17068) ETC - Hemphill (Location 16621) Oneok Westex Hemphill (Location 16584) DCP – Sholem (Location 15857) Wamsutter – Echo Springs (Location 16294)	SSC May limit Volumes to Actuals	2/10/2021	2/10/2021	2/11/2021
7	SSCGP	9684	Underperformance	Multiple Locations Intaday 2 and 3: SemGas – Rose Valley (Location 17006) Scout - Jayhawk (Location 16289) EOIT – Alfalfa (Location 17068) ETC - Hemphill (Location 16621) Oneok Westex Hemphill (Location 16584) DCP – Sholem (Location 15857) Wamsutter – Echo Springs (Location 16294) DCP Cimarron Plant (Location 15253)	SSC May limit Volumes to Actuals	2/10/2021	2/10/2021	2/11/2021
8	SSCGP	9685	Underperformance	Multiple Locations Intaday 2 and 3: Targa – Waynoka (16912) SemGas – Rose Valley (17006)	SSC May limit Volumes to Actuals	2/11/2021	2/11/2021	2/12/2021

				KGST Ark River (14971) Oneok Westex Hemphill (16584) TIGT Glavin (16593) ETC Texas – Hemphill (16621) Noble Keota (17010) ETC Texas – Beaver (16453)						
9	SSCGP	9687	Underperformance	Multiple Locations Intaday 2 and 3: Targa – Waynoka (16912) SemGas – Rose Valley (17006) KGST Ark River (14971) Oneok Westex Hemphill (16584) TIGT Glavin (16593) ETC Texas – Hemphill (16621) Noble Keota (17010) ETC Texas – Beaver (16453) Canyon - Redcliff (Location 17065) DCP - Cimarron Plant (Location 15253)	SSC May limit Volumes to Actuals	2/11/2021	2/11/2021	2/12/2021		
10	SSCGP	9689	Underperformance	Multiple Locations Intaday 1, 2 and 3: SemGas – Rose Valley (17006) Superior – Hemphill (16820) Noble Energy – Lilli (16967) ETC Texas – Hemphill (16621) Canyon – Redcliff (17065)	SSC May limit Volumes to Actuals	2/12/2021	2/12/2021	2/13/2021		
11	SSCGP	9691	Underperformance	Multiple Locations Intaday 1, 2 and 3: Scout – Jayhawk (16289) Superior – Hemphill (16820) ETC Texas – Hemphill (16621) OFS Stateline (15300) Noble Energy - Lilli (16967) Cherryvale Boorigie (16883)	SSC May limit Volumes to Actuals	2/13/2021	2/13/2021	2/13/2021		
12	SSCGP	9692	Underperformance	Multiple Locations Intaday 1, 2 and 3: Scout – Jayhawk (16289) Superior – Hemphill (16820) ETC Texas – Hemphill (16621) OFS Stateline (15300) Noble Energy - Lilli (16967) Cherryvale Boorigie (16883) SemGas – Rose Valley (17006)	SSC May limit Volumes to Actuals	2/13/2021	2/13/2021	2/13/2021		
13	SSCGP	9693	Underperformance	Multiple Locations Intaday 2 and 3: Scout – Jayhawk (16289) Superior – Hemphill (16820)	SSC May limit Volumes to Actuals	2/13/2021	2/13/2021	2/14/2021		

				ETC Texas – Hemphill (16621) OFS Stateline (15300) Noble Energy - Lilli (16967) Cherryvale Boorigie (16883) DCP – Sholem (15857) DCP – Kingfisher (12723) Noble – Keota (17101) CIG Riner (Location 14965)				
14	SSCGP	9694	Underperformance	Multiple Locations Intaday 2 and 3: Scout – Jayhawk (16289) Superior – Hemphill (16820) ETC Texas – Hemphill (16621) OFS Stateline (15300) Noble Energy - Lilli (16967) Cherryvale Boorigie (16883) DCP – Sholem (15857) DCP – Kingfisher (12723) Noble – Keota (17101) CIG Riner (Location 14965) REP – South Williams (Location 16897)	SSC May limit Volumes to Actuals	2/13/2021	2/13/2021	2/13/2021
15	SSCGP	9695	Underperformance	Multiple Locations Intaday 3: Scout – Jayhawk (16289) Superior – Hemphill (16820) ETC Texas – Hemphill (16621) OFS Stateline (15300) Noble Energy - Lilli (16967) Cherryvale Boorigie (16883) DCP – Sholem (15857) DCP – Kingfisher (12723) Noble – Keota (17101) CIG Riner (Location 14965) REP – South Williams (Location 16897) Oneok Westex Hemphill (Location 16584) SemGas – Rose Valley (Location 17006)	SSC May limit Volumes to Actuals	2/13/2021	2/13/2021	2/14/2021
16	SSCGP	9696	Underperformance	Multiple Locations Intaday 1, 2 and 3: Targa – Waynoka (16912) SemGas – Rose Valley (17006) Scout – Jayhawk (16289) DCP – Sholem (15857) Velma Gas Plant (15430) ETC Texas – Hemphill (16621) Noble Keota (17010) Noble – Lilli (16967)	SSC May limit Volumes to Actuals	2/14/2021	2/14/2021	2/15/2021

				Superior Hemphill (16820) CIG Riner (Location 14965) Wamsutter – Echo Springs (Location 16294)				
17	SSCGP	9697	Underperformance	Multiple Locations Intaday 2 and 3: Targa – Waynoka (16912) SemGas – Rose Valley (17006) Scout – Jayhawk (16289) DCP – Sholem (15857) Velma Gas Plant (15430) ETC Texas – Hemphill (16621) Noble Keota (17010) Noble – Lilli (16967) Superior Hemphill (16820) CIG Riner (Location 14965) Wamsutter – Echo Springs (Location 16294) Transwestern Canadian – Rec (Location 11377) Oneok Westex Hemphill (Location 16584) Questar Skull Creek (Location 15236) DCP Kingfisher (Location 12723) Grasslands Energy Centennial (Location 17009) Own Resources – Waverly (Location 13144)	SSC May limit Volumes to Actuals	2/14/2021	2/14/2021	2/15/2021
18	SSCGP	9699	Underperformance	Multiple Locations Intaday 3: Targa – Waynoka (16912) SemGas – Rose Valley (17006) Scout – Jayhawk (16289) DCP – Sholem (15857) Velma Gas Plant (15430) ETC Texas – Hemphill (16621) Noble Keota (17010) Noble – Lilli (16967) Superior Hemphill (16820) CIG Riner (Location 14965) Oneok Westex Hemphill (Location 16584) Questar Skull Creek (Location 15236) Salt Plains Storage (Location 1636)	SSC May limit Volumes to Actuals	2/14/2021	2/14/2021	2/15/2021
19	SSCGP	9701	Underperformance	Multiple Locations Intaday 1, 2 and 3: SemGas – Rose Valley (17006) Scout – Jayhawk (16289) DCP – Sholem (15857) DCP – Kingfisher (Location 12723) Velma Gas Plant (15430) ETC Texas – Hemphill (16621) Noble Keota (17010)	SSC May limit Volumes to Actuals	2/15/2021	2/15/2021	2/16/2021

				Noble – Lilli (16967) Superior Hemphill (16820) CIG Riner (Location 14965) Wamsutter – Echo Springs (Location 16294) TIGT Sugar Creek (Location 16592) Blue Mountain – Chisolm Trail III (Location 17067) OneOk Westex Hemphill (Location 16584) Questar Skull Creek (Location 15236) Transwestern Canadian (Location 11377) Superior Cashion (Location 16857) Own Resources – Waverly (Location 13144) Republican (Location 16562) State Line PLD (Location 13735) Southeastern KS P/L Wilson County (Location 16852)				
20	SSCGP	9707	Underperformance	Multiple Locations Intaday 2 and 3: SemGas – Rose Valley (17006) Scout – Jayhawk (16289) DCP – Sholem (15857) DCP – Kingfisher (Location 12723) Velma Gas Plant (15430) ETC Texas – Hemphill (16621) Noble Keota (17010) Noble – Lilli (16967) Superior Hemphill (16820) CIG Riner (Location 14965) Wamsutter – Echo Springs (Location 16294) OneOk Westex Hemphill (Location 16584) Own Resources – Waverly (Location 13144) Republican (Location 16562) State Line PLD (Location 13735) Southeastern KS P/L Wilson County (Location 16852)	SSC May limit Volumes to Actuals	2/15/2021	2/15/2021	2/16/2021
21	SSCGP	9708	Underperformance	Multiple Locations Eve, Intaday 1, 2 and 3: Scout – Jayhawk (Location 16289) SemGas – Rose Valley (17006) DCP – Kingfisher (Location 12723) DCP – Sholem (Location 15857) Velma Gas Plant (15430) ETC Texas – Hemphill (16621) Noble Keota (17010) Noble – Lilli (16967) Superior Hemphill (16820) Blue Mountain – Chisolm Trail III (Location 17067) Own Resources – Waverly (Location 13144)	SSC May limit Volumes to Actuals	2/15/2021	2/15/2021	2/17/2021

22	SSCGP	9709	Underperformance	<p>Multiple Locations Intaday 3:</p> <p>SemGas – Rose Valley (17006)</p> <p>Scout – Jayhawk (16289)</p> <p>DCP – Sholem (15857)</p> <p>DCP – Kingfisher (Location 12723)</p> <p>Velma Gas Plant (15430)</p> <p>ETC Texas – Hemphill (16621)</p> <p>Noble Keota (17010)</p> <p>Noble – Lilli (16967)</p> <p>Superior Hemphill (16820)</p> <p>Superior Bellmon (Location 16981)</p> <p>CIG Riner (Location 14965)</p> <p>Wamsutter – Echo Springs (Location 16294)</p> <p>OneOk Westex Hemphill (Location 16584)</p> <p>Cheyenne Plains – Sand Dune (Location 16813)</p> <p>Superior Cashion (Location 16857)</p> <p>Grasslands Energy Centennial (Location 17009)</p>	SSC May limit Volumes to Actuals	2/15/2021	2/15/2021	2/16/2021
23	SSCGP	9710	Underperformance	<p>Multiple Locations Intaday 1, 2 and 3:</p> <p>Scout - Jayhawk (16289)</p> <p>Targa - Waynoka (Location 16912)</p> <p>Velma Gas Plant (15430)</p> <p>ETC Texas - Hemphill (16621)</p> <p>Noble - Lilli (16967)</p> <p>Superior Bellmon (Location 16981)</p> <p>OneOk Westex Hemphill (Location 16584)</p> <p>Superior Cashion (Location 16857)</p> <p>River Rock - Fireside (Location 16757)</p> <p>OFS Stateline (Location 15300)</p>	SSC May limit Volumes to Actuals	02/16/21	02/16/21	02/16/21
24	SSCGP	9711	Underperformance	<p>Multiple Locations Intaday 2 and 3:</p> <p>Scout – Jayhawk (16289)</p> <p>Targa – Waynoka (Location 16912)</p> <p>ETC Texas – Hemphill (16621)</p> <p>Noble – Lilli (16967)</p> <p>Noble – Keota (Location 17010)</p> <p>Superior Hemphill (16829)</p> <p>Superior Bellmon (Location 16981)</p> <p>DCP Kingfisher (Location 12723)</p> <p>Superior Cashion (Location 16857)</p> <p>River Rock – Ft. Scott (Location 16908)</p>	SSC May limit Volumes to Actuals	02/16/21	02/16/21	02/17/21
25	SSCGP	9713	Underperformance	<p>Multiple Locations Intaday 3:</p> <p>Scout – Jayhawk (16289)</p> <p>ETC Texas – Hemphill (16621)</p> <p>Noble – Lilli (16967)</p>	SSC May limit Volumes to Actuals	02/16/21	02/16/21	02/16/21

				Noble – Keota (Location 17010) Superior Hemphill (16829) DCP Kingfisher (Location 12723) River Rock – Ft. Scott (Location 16908) River Rock – Graybill (Location 16935) River Rock – Fireside (Location 16757) Oneok Westex Hemphill (Location 16584)						
26	SSCGP	9714	Underperformance	Multiple Locations Eve, Intaday 1, 2 and 3: Scout - Jayhawk (Location 16289) SemGas - Rose Valley (17006) DCP - Kingfisher (Location 12723) ETC Texas - Hemphill (16621) Noble - Keota (17010) Noble - Lilli (16967) Superior - Hemphill (16820) Oneok Westex Hemphill (Location 16584) River Rock - Fireside (Location 16757) River Rock - Graybill (Location 16935) River Rock - Ft. Scott (Location 16908)	SSC May limit Volumes to Actuals	02/16/21	02/16/21	02/18/21		
27	SSCGP	9715	Underperformance	Multiple Locations Intaday 3: Scout – Jayhawk (16289) Targa Waynoka (Location 16912) ETC Texas – Hemphill (16621) Noble – Keota (Location 17010) Superior Hemphill (16829) Superior Bellmon (Location 16981) DCP Kingfisher (Location 12723) River Rock – Ft. Scott (Location 16908) River Rock – Graybill (Location 16935) Oneok Westex Hemphill (Location 16584) Velma Gas Plant (Location 15430)	SSC May limit Volumes to Actuals	02/16/21	02/16/21	02/17/21		
28	SSCGP	9716	Underperformance	Multiple Locations Intaday 1, 2 and 3: Targa – Waynoka (Location 16912) Canyon – Redcliff (Location 17065) DCP Sholem (Location 15857) ETC Texas – Hemphill (16621) Superior Hemphill (Location 16820) OneOk Westex Hemphill (Location 16584) SemGas Rose Valley (Location 17006)	SSC May limit Volumes to Actuals	02/17/21	02/17/21	02/17/21		
29	SSCGP	9719	Underperformance	Multiple Locations Intaday 2 and 3: Scout Jayhawk (Location 16289) Canyon – Redcliff (Location 17065)	SSC May limit Volumes to Actuals	02/17/21	02/17/21	02/18/21		

Superior Hemphill (Location 16820)
 Superior Bellmon (Location 16981)
 SemGas Rose Valley (Location 17006)

30	Trailblazer	8632	Underperformance	WIC/TPC DULL KNIFE RECEIPT POINT (LOCATION 5001)	Due to the limited ability of WIC to make delivery of gas to Trailblazer at the WIC Dull Knife location (Location 5001), Trailblazer will be scheduling receipts at a level that matches their projected flows for the ID1 Cycle, Gas Day Sunday, February 14, 2021. Based on the current level of nominations, primary and secondary firm quantities as well as ITS/AOR are at risk of not being scheduled.	02/14/21	02/14/21	02/17/21
31	Trailblazer	9719	Underperformance	RECEIPT POINT UNDERPERFORMANCE MULTIPLE LOCATIONS WIC/TPC DULL KNIFE (Location 5001) CIG/TPC TOMAHAWK (Location 3856)	Trailblazer will be scheduling receipts at a level that matches projected flows for the ID1 Cycle, Gas Day Monday, February 15, 2021 and until further notice for the following locations due to underperformance:	02/15/21	02/15/21	02/17/21
32	MCMC		system wide outage	ONEOK is aware of the system wide outage that occurred this afternoon. The issue has now been resolved. We appreciate your patience while services were restored.		2/3/2021	2/3/2021	2/4/2021
33	KPC	506	Over-Under Performance	Critical Over Under Performance		2/11/2021	2/11/2021	
34	NNG	58613	RECEIPT POINT SHORTFALL	ENTIRE FIELD AREA	Due to a significant receipt point shortfall at the majority of receipt points in Northern's Field Area, Northern is calling a Force Majeure event. This event is requiring Northern to physically curtail the Field Area deliveries associated with the underperforming receipt points. Northern will update this posting as more information becomes available.	2/15/2021	2/15/2021	2/15/2021

35 NNG	58614 RECEIPT POINT SHORTFALL ENTIRE FIELD AREA	Update 1: Northern is currently experiencing underperformance at the following Field Area receipt points (see table below). As a result, Northern will be required to allocate and curtail the underperforming receipt points to actual flowing volumes for Gas Days February 14 and February 15, 2021 and continuing until performance improves at these receipt points.	2/15/2021	2/15/2021	2/15/2021
36 NNG	58625 RECEIPT POINT SHORTFALL ENTIRE FIELD AREA	Update 2: Northern is currently experiencing underperformance at the following Field Area receipt points (see table below). As a result, Northern will be required to allocate or curtail the underperforming receipt points to actual flowing volumes for Gas Day February 15, 2021 and continuing until performance improves at these receipt points. The actual quantity allocated will depend on the interconnecting parties' performance at the time of allocation.	2/15/2021	2/15/2021	2/15/2021
37 NNG	58528 RECEIPT POINT SHORTFALL ENTIRE FIELD AREA	that Northern's facilities are fully operational and are not the cause for any non-performance on the system; however, Northern has experienced severe supply shortfalls resulting from upstream parties' inability to deliver gas into Northern's system. Should customers reestablish the insufficient supply that resulted in reduced scheduled deliveries, Northern is fully capable of scheduling and delivering additional quantities.	2/15/2021	2/15/2021	2/15/2021

		Update 4: Northern has become aware that certain parties are misrepresenting the Northern posted this morning. The purpose of this notice is to provide additional explanation. Northern called a Force Majeure because of the potential that Northern would need to take extraordinary action in response to widespread supplier non-performance. No equipment failure nor diminution of Northern's ability to perform has occurred. Northern is currently experiencing underperformance at the following Field Area receipt points (see table below). As a result, Northern will be required to allocate or curtail the underperforming receipt points to actual flowing volumes for Gas Day February 15, 2021 and continuing until performance improves at these receipt points. The actual quantity allocated will depend on the interconnecting parties' performance at the time of allocation. Northern's Force Majeure is being discontinued; Northern will rely on its normal scheduling process to handle any nonperformance issues.			
38 NNG	58702 RECEIPT POINT SHORTFALL ENTIRE FIELD AREA		2/15/2021	2/15/2021	2/16/2021
39 NNG	58768 RECEIPT POINT SHORTFALL ENTIRE FIELD AREA		2/16/2021	2/16/2021	2/17/2021

#	Entity	ID#	Superceding	Prior	Notification Type	Comment	Posted	Start	End	
1	ANR	10111			Critical	Weather	Due to projected cold weather forecasts, current operational conditions, and nomination levels, it is increasingly important that ANRPL shippers maintain suffiecient receipt and delivery volumes to minimize imbalances and ensure system integrity.	2/1/2021	2/5/2021	2/12/2021
2	ANR	10112			Critical	Weather	Effective gas day 2/5/21 through gas day 2/12/21 in order to preserve system integrity and to ensure ANR is able to meet scheduled delivery commitments to all Market Area locaitons; ANR is, in accordance with the General Terms and Conditions, declaring and "Extreme Condition" as that term is defined in ANR's FERC Gas Tarriff 6.1, lowering the Swing Percentage from 10% to 5%.	2/2/2021	2/5/2021	2/12/2021
3	ANR	10114			Critical	Weather	ANR is upgrading its Phase 2 Extreme Condition to a Phase 3 Extreme Condition	2/4/2021	2/5/2021	2/12/2021
4	ANR	10124			Critical	Weather	ANR Phase 3 Extreme Condition extended	2/11/2021	2/11/2021	2/16/2021
5	ANR	10128			Critical	Weather	ANR Phase 3 Extreme Condition extended	2/11/2021	2/11/2021	2/19/2021
6	ANR	10149			Critical	Weather	ANR Phase 3 Extreme Condition extended	2/18/2021	2/18/2021	2/22/2021
7	SSCGP	9663			Critical	Weather	Winter Weather Warning - Effective Saturday, February 6. 2021	2/2/2021	2/6/2021	2/8/2021
8	SSCGP	9666	9663		Critical	Weather	Winter Weather Warning Update -Posting extended through February 16. 2021	2/8/2021	2/8/2021	2/17/2021
9	SSCGP	9698	9666		Critical	Weather	Winter Weather Warning - Update: Southern Star's pipeline is operating at or near capacity while experiencing reduced physical supply at various Locations around its system. Additional supply reductions are expected due to the current extreme cold and sustained winter weather conditions.	2/14/2021	2/14/2021	2/17/2021
10	SSCGP	9704	9698		Critical	Weather	Winter Weather Warning - Update (Extended): Due to continued severe weather conditions forecasted, Southern Star is extending the Winter Weather Warning that went into effect Saturday, February 6, 2021 at 9:00 AM CST. This warning is extended to remain in effect through Gas Day February 22, 2021.	2/15/2021	2/15/2021	2/23/2021
11	SSCGP	9727			Critical	Pipeline Condition / Weather	Operational Recovery Notice - Effective Saturday, February 20, 2021: As temperatures and winter weather conditions moderate and the Southern Star system continues to improve from the recent weather event, Southern Star is replacing its Winter Weather Warning (Notice ID 9704) with this Operational Recovery Notice beginning Saturday, February 20, 2021 at 9:00 AM CST.	2/20/2021	2/20/2021	
12							Based on current cold weather forecasts, Panhandle is preparing for increased pipeline u ilization and reduced operational flexibility. Effective Gas Day February 6, 2021, Panhandle is reques ing all delivery point operators to minimize over-takes and all receipt point operators to minimize their under-deliveries into he system.			
13	PEPL	8910			Critical	Extreme Weather		2/3/2021	2/3/2021	

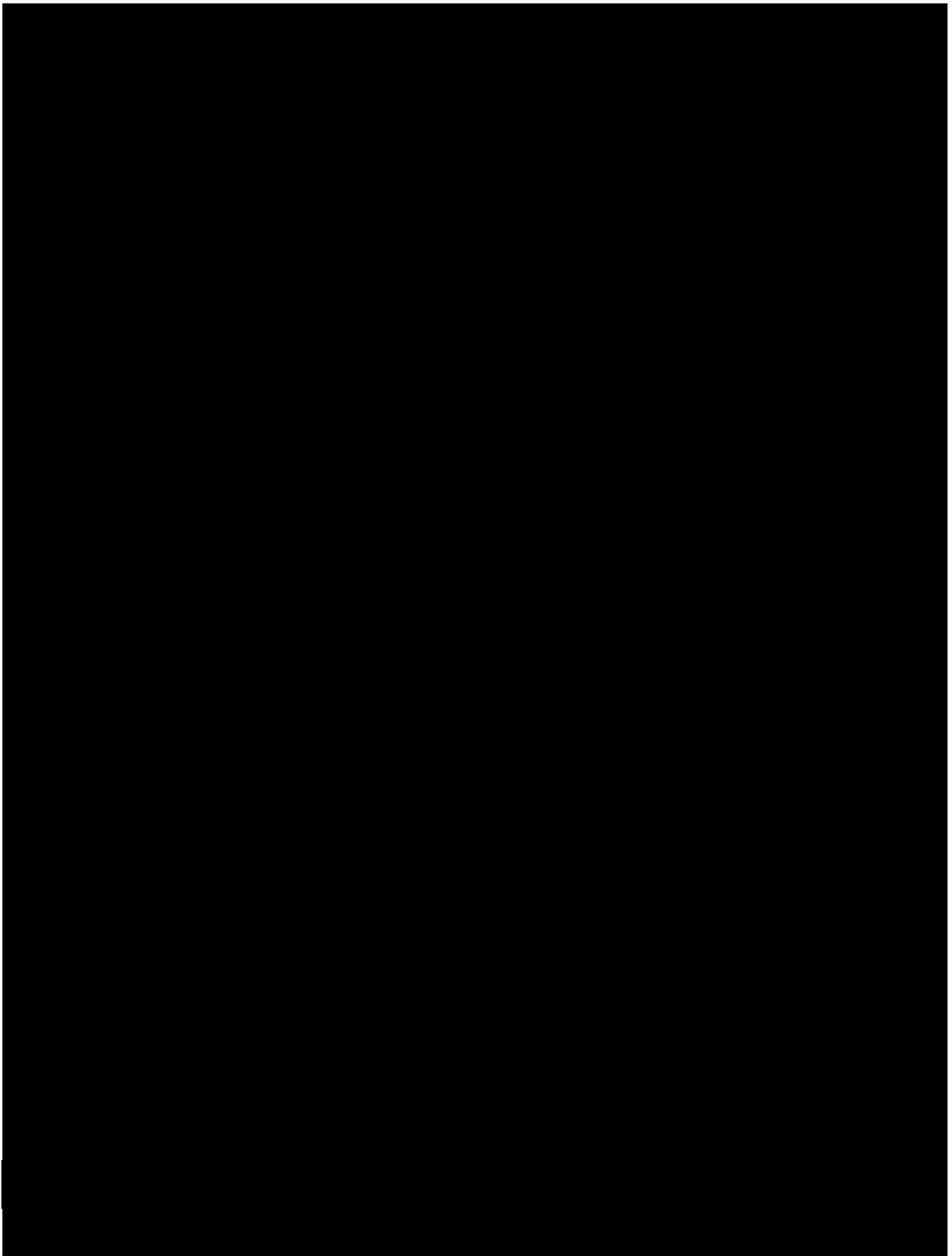
14 PEPL	8929	Critical	Extreme Weather	Due to the unprecedented market conditions resulting from the current extreme weather period, Panhandle recommends that shippers utilize their contracted primary receipt and delivery points in order to maintain the highest priority of service during this event. In order to protect system reliability and ensure the operational integrity of gas service across its system, Panhandle may limit interruptible and secondary firm nominations to ensure that scheduled delivery obligations are maintained during this period.	2/12/2021 2/12/2021
15 PEPL	8930	Critical	Extreme Weather	To ensure system integrity, Panhandle is requiring all Shippers under Rate Schedule EFT, EIT, SCT, GDS or LFT to limit their hourly deliveries to one-sixteenth of the quantity scheduled for delivery on the applicable day. Please refer to the GT&C Section 12.11(g) of the Panhandle Tariff regarding the penalty provisions as it applies to customers in the event of noncompliance with this request.	2/15/2021 2/15/2021
16 PEPL		Critical	Extreme Weather	Panhandle reserves the right to limit or turn off all Auto-Unpark nominations on the pipeline for the duration of the extreme weather without prior notice. These limits will be evaluated on a daily basis.	2/15/2021 2/15/2021
17 PEPL	8938	Critical	Weather Alert	Panhandle reserves the right to limit or turn off all Auto-Unpark nominations on the pipeline for the duration of the extreme weather without prior notice. These limits will be evaluated on a daily basis.	2/19/2021 2/19/2021
18 PEPL	8939	Critical	Weather Alert	Effective Gas Day February 22, 2021 at 9:00 a.m. CST, Panhandle will lift the weather restrictions set forth in Critical No ice ID 8938	2/22/2021 2/22/2021
19 KPC	504	Critical	Weather Alert	Winter Weather Advisory	2/4/2021 2/4/2021 2/6/2021
20 KPC	505	Critical	Capacity Constraint	Spivey Constraint	2/5/2021 2/5/2021 2/6/2021
21 KPC	507	Critical	Capacity Constraint	Spivey Constraint	2/22/2021 2/22/2021 2/23/2021
22 KPC	508	Critical	Curtailement	Spivey Constraint	2/22/2021 2/22/2021 2/23/2021
23 MCMC			Weather Alert	Winter Weather Advisory Canceled	2/22/2021 2/23/2021
			system wide outage	ONEOK is aware of the system wide outage that occurred this afternoon. The issue has now been resolved. We appreciate your patience while services were restored.	2/3/2021
24 MCMC			Weather Warning	Receipt and Delivery point operators should ensure that flowing volumes match confirmed scheduled quantities. Intraday scheduling reductions will be implemented to ensure nominations match actual flowing quantities. Operational flexibility will not be available during this time.	2/4/2021 2/6/2021
25 NNG	58451	Critical	Operational Alert	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Monday, February 15, 2021, due to lower than normal system-weighted temperatures.	2/11/2021 2/15/2021 2/16/2021
26 NNG	58452	Critical	Operational Alert	An SOL has been called for all Market Area zones (ABC, D and EF) and all Field Area MIDs with 0% SMS available for Gas Day Tuesday, February 16, 2021, due to lower than normal system-weighted temperatures.	2/11/2021 2/16/2021 2/17/2021
27 NNG	58527	Critical	Operational Alert	Due to the severe weather conditions experienced in Northern's Market and Field Areas and significant natural gas price volatility, Northern is calling a Critical Day applicable to delivery points located in all Market Area zones and Field Area MIDs effective for the Gas Day beginning at 9 a.m. on Sunday, February 14, 2021. The significance of a Critical Day being called is if a shipper takes deliveries from the pipeline in excess of scheduled quantities, such shipper may incur higher penalties as set forth on Tariff Sheet No. 53 and the DDVC rates page on Northern's website .	2/13/2021 2/14/2021 2/15/2021

28 NNG	58558	Critical	Operational Alert	<p>Due to the severe weather conditions experienced in Northern's Market and Field Areas and significant natural gas price volatility, Northern is calling a Critical Day applicable to delivery points located in all Market Area zones and Field Area MIDs effective for the Gas Day beginning at 9 a.m. on Monday, February 15, 2021. The significance of a Critical Day being called is if a shipper takes deliveries from the pipeline in excess of scheduled quantities, such shipper may incur higher penalties as set forth on Tariff Sheet No. 53 and the DDVC rates page on Northern's website .</p>	2/14/2021 2/15/2021 2/16/2021
29 NNG	58623	Critical	Operational Alert	<p>Due to the severe weather conditions experienced in Northern's Market and Field Areas, the impact of well-head freeze offs in Northern's Field Area and significant natural gas price volatility, Northern is calling a Critical Day applicable to delivery points located in all Market Area zones and Field Area MIDs effective for the Gas Day beginning at 9 a.m. on Tuesday, February 16, 2021. The significance of a Critical Day being called is if a shipper takes deliveries from the pipeline in excess of scheduled quantities, such shipper may incur higher penalties as set forth on Tariff Sheet No. 53 and the DDVC rates page on Northern's website .</p>	2/15/2021 2/16/2021 2/17/2021
30 NNG	58766	Critical	Operational Alert	<p>Due to the severe weather conditions experienced in Northern's Market and Field Areas, the impact of well-head freeze offs in Northern's Field Area and significant natural gas price volatility, Northern is calling a Critical Day applicable to delivery points located in all Market Area zones and Field Area MIDs effective for the Gas Day beginning at 9 a.m. on Wednesday, February 17, 2021. The significance of a Critical Day being called is if a shipper takes deliveries from the pipeline in excess of scheduled quantities, such shipper may incur higher penalties as set forth on Tariff Sheet No. 53 and the DDVC rates page on Northern's website.</p>	2/16/2021 2/17/2021 2/18/2021
31 NNG	58900	Critical	Operational Alert	<p>Due to the severe weather conditions experienced in Northern's Market and Field Areas, underperformance of receipt points in Northern's Field Area and significant natural gas price volatility, Northern is calling a Critical Day applicable to delivery points located in all Market Area zones and Field Area MIDs effective for the Gas Day beginning at 9 a.m. on Thursday, February 18, 2021. The significance of a Critical Day being called is if a shipper takes deliveries from the pipeline in excess of scheduled quantities, such shipper may incur higher penalties as set forth on Tariff Sheet No. 53 and the DDVC rates page on Northern's website.</p>	2/17/2021 2/18/2021 2/19/2021
32 NNG	59230	Critical	Operational Alert	<p>Update: SMS percentage has been changed to 100% for Gas Day Monday, February 22, 2021.</p>	2/21/2021 2/22/2021 2/23/2021

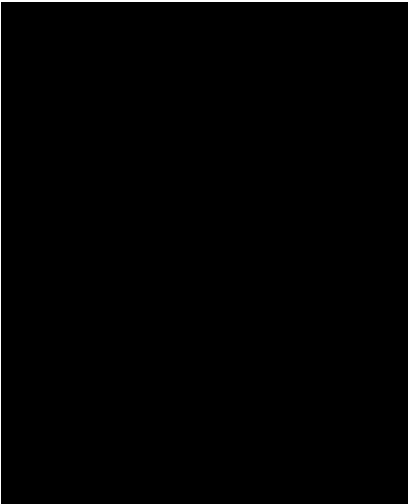
CONFIDENTIAL

CONFIDENTIAL

#	Date	Pipeline	Supplier	Dth/day Actual	Dth/day Contract	Cut	Force Majeure Letter



CONFIDENTIAL

#	Supplier Notified	Areas	Begin Date	End
1		Sequent Contract	2/11/21	
2		Jayhawk Plant	2/11/21	
3		Blanket NAESB 1618	2/19/21	2/23/21
4		Gov. Abbott NAESB FMJ	2/12/21	
5		Various		
6		ANR Pipeline	2/11/21	
7		Jayhawk Plant	2/11/21	2/19/21
8		Panhandle Field Zone	2/18/21	2/19/21
9		OK FMJ	2/8/21	
10		Jayhawk Plant	2/12/21	2/19/21
11		Enable Pawnee /KPC	2/12/21	2/19/21
12		Jayhawk Plant	2/9/21	
13		ONG FMJ	2/12/21	

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 21-KGSG-332-GIG
Information Request

Data Request: 21-332 KCC-012
Issuer Organization: KS KCC
Request Date: 2021-03-26
Date Information Needed: 2021-04-16
Requested By: Andria Jackson

Page 1 of 2

RE: Spot Natural Gas Purchases

Please provide the following:

1. Please provide a narrative and an excel worksheet detailing the total cost of natural gas purchases Kansas Gas Service made during the period of February 9-21, 2021. Please include the daily volume of natural gas purchased, the natural gas market, the daily price paid, the long-term contract (if applicable), broker/marketing fees and any other relevant accounting data for the transaction.
2. Please provide any emails or other forms of communication from gas suppliers or pipeline transportation companies that indicate or describe gas supply constraints.
3. For relevant gas markets, please provide a chart or market analysis of the average spot price for natural gas from February 9-21, 2021.
4. Does Kansas Gas Service have any indication of, or concerns about, natural gas price gouging or market manipulation during the extreme weather event? If so, please provide a detailed explanation with supporting documentation, examples, or calculations illustrating the utility's concerns.


This response contains proprietary financial and business information the Company has deemed and treats as "CONFIDENTIAL" and as such, the information contained herein is subject to the Confidential treatment and protections proscribed in K.S.A. 66-1220a., K.A.R. 82-1-221a and the Protection Order issued in this docket. The improper release of the confidential information may result in irreparable economic harm to the Company and its customers.

KGS Response:

1. "CONFIDENTIAL 21-332 KCC-012 Attachment A" contains the invoiced purchases on a daily basis for baseload, First of Month Callable, GDD Callable and Spot Purchase. Column A identifies the Supplier and contract, Column B is the volumes purchased, Column C is the index used, Column D is the index price, Column E is the adder to the index, Column F is the total index paid per MMBtu, Column G will show the demand charges for each contract and Column H is the total price paid per contract for the 9th thru the 21st of February. The purchases are listed per day on the individual tabs and the sum for those days are on the 'Total' tab.
2. Please see, KGS' response to data request 21-332 KCC-026 for emails from suppliers imposing force majeure on supply.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 
Larry Dykes

Date: April 16, 2021

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 21-KGSG-332-GIG
Information Request

Data Request: 21-332 KCC-012

Issuer Organization: KS KCC

Request Date: 2021-03-26

Date Information Needed: 2021-04-16

Requested By: Andria Jackson


Page 2 of 2

3. Please see, "CONFIDENTIAL 21-332 KCC-012 Attachment B" for a table of the average spot price by pipeline for the indicated period.
4. No. KGS does not have any clear indication of price gouging or market manipulation. However, KGS is working to carefully review each supply invoice to ensure that the volumes KGS was invoiced for and the price of those volumes are in line with each individual contract or NASEB.

Prepared by: Matt Robbins

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 
Larry Dykes

Date: April 16, 2021

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 21-KGSG-332-GIG
Information Request

Data Request: 21-332 KCC-012 Supplemental

Issuer Organization: KS KCC

Request Date: 2021-03-26

Date Information Needed: 2021-04-16

Requested By: Andria Jackson

Page 1 of 1

RE: Spot Natural Gas Purchases

Please provide the following:

1. Please provide a narrative and an excel worksheet detailing the total cost of natural gas purchases Kansas Gas Service made during the period of February 9-21, 2021. Please include the daily volume of natural gas purchased, the natural gas market, the daily price paid, the long-term contract (if applicable), broker/marketing fees and any other relevant accounting data for the transaction.
2. Please provide any emails or other forms of communication from gas suppliers or pipeline transportation companies that indicate or describe gas supply constraints.
3. For relevant gas markets, please provide a chart or market analysis of the average spot price for natural gas from February 9-21, 2021.
4. Does Kansas Gas Service have any indication of, or concerns about, natural gas price gouging or market manipulation during the extreme weather event? If so, please provide a detailed explanation with supporting documentation, examples, or calculations illustrating the utility's concerns.

KGS Response:

This response contains financial and business information the Company has deemed and treats as "CONFIDENTIAL" and as such, the information contained herein is subject to the Confidential treatment and protections proscribed in K.S.A. 66-1220a., K.A.R. 82-1-221a and the Protection Order issued in this docket. The improper release of the confidential information may result in irreparable economic harm to the Company and its customers.

Kansas Gas Service is supplementing its response to KCC Data Request 12 due to updates in the final February pipeline statements and billing, reflecting the supply cuts from SW Energy Supply. Please see, "CONFIDENTIAL 21-332 KCC-012 Supplemental Attachment A".

Prepared by: Lauren Baeten

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Matt Robbins

Date: 7/21/2021

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 21-KGSG-332-GIG
Information Request

Data Request: 21-332 KCC-032
Issuer Organization: KS KCC
Request Date: 2021-03-26
Date Information Needed: 2021-04-16
Requested By: Andria Jackson

Page 1 of 2

RE: Corporate Health

Please provide the following: 1. How does the financing costs for the winter weather event play into the long-term impact of Kansas Gas Service's financial health and credit rating?

2. Will the financing costs for the winter weather event materially impact Kansas Gas Service's long-term plans for the issuance of additional equity or capital to finance future projects? Will the event affect Kansas Gas Service's ability to secure financing in the future?

KGS Response:


1. Kansas Gas Service is a division of ONE Gas, Inc. ("ONE Gas") and does not issue its own debt or equity and as such, does not have a separate credit rating. Rather, financing for Kansas Gas Service is provided by ONE Gas. ONE Gas is a 100% regulated natural gas utility and all the financing secured by ONE Gas goes to finance the operations of its three divisions.

ONE Gas secured \$2.5 billion of additional financing, first in the form of a term loan which was refinanced with bonds issued in the public debt market (see 8-K filings attached to the response to data request 21-332-KCC-031) to fund its obligations from the winter weather event. As a result of the winter weather event and associated financing, S&P downgraded our debt rating to BBB+ (negative outlook) from A (stable), a two-notch downgrade, and Moody's downgraded our debt rating to A3 (negative outlook) from A2 (stable), a one-notch downgrade. These downgrades increased the cost of financing we have already secured related to the winter weather event and will increase the cost of future long-term debt issuances, thus increasing the company's cost of capital.

According to Moody's, a negative outlook "indicates a higher likelihood of a rating change over the medium term" and, on average, after the initial assignment of a positive or negative rating outlook, the next rating action has followed within about a year. ONE Gas believes the negative outlook on our ratings will remain until the costs of the winter storm are permanently financed, at which time the rating agencies will determine whether, in their view, any additional downgrades are appropriate. The costs allowed for recovery, the recovery period, the nature and cost of permanent financing, and other actions ONE Gas and the Commission may take will be significant factors in the rating agencies' evaluation of our creditworthiness going forward.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 
Date: 4/16/21

Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 21-KGSG-332-GIG
Information Request

Data Request: 21-332 KCC-032

Issuer Organization: KS KCC

Request Date: 2021-03-26

Date Information Needed: 2021-04-16

Requested By: Andria Jackson

Page 2 of 2

Depending on the resolution of the issues relating to the winter weather event, ONE Gas may be required to issue additional equity beyond what we had intended prior to the weather event. Such equity issuances will further increase our cost of capital.

2. Yes. See the response to question 1. Although ONE Gas believes we will continue to have access to the capital markets, our cost of capital will be higher both in the debt and equity markets.

Prepared by: Cyndi King and Mark Smith

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____



Date: _____



Kansas Gas Service, a Division of ONE Gas, Inc.
Docket Number 21-KGSG-332-GIG
Information Request

Data Request: 21-332 KCC-086
Issuer Organization: KS KCC
Request Date: 2021-09-13
Date Information Needed: 2021-09-22
Requested By: Douglas Hall

Page 1 of 1

RE: Winter purchase plan actual amounts

Please provide the following: Please provide annual winter (November - March) purchase plan actuals in Bcf for the past five years. Please include amounts broken down into the following categories:

- withdrawn from storage
- financially hedged
- spot purchased

KGS Response:

Please see "CONFIDENTIAL 21-332 KCC-086 Attachment".

Prepared by: Lauren Baeten

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

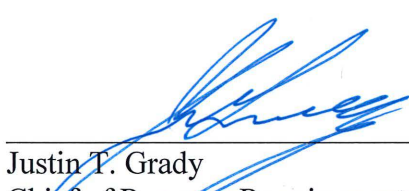
Signed: *Matt Robbins*

Date: 9/22/2021

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Justin T. Grady, being duly sworn upon his oath deposes and states that he is Chief of Revenue Requirements, Cost of Service and Finance for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Testimony*, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.


Justin T. Grady
Chief of Revenue Requirements,
Cost of Service and Finance
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 30 day of November, 2021.


Notary Public

My Appointment Expires: 4/28/25



NOTARY PUBLIC - State of Kansas
ANN M. MURPHY
My Appt. Expires 4/28/25

CERTIFICATE OF SERVICE

21-KGSG-332-GIG

I, the undersigned, certify that a true and correct copy of the above and foregoing testimony was electronically delivered this 30th of November, 2021, to the following:

ALEX GOLDBERG, ATTORNEY AT LAW
ALEX GOLDBERG
909 Bannock Street
Ste 1524
Denver, CO 80204
alexantongoldberg@gmail.com

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
jflaherty@andersonbyrd.com

SHELLY M BASS, SENIOR ATTORNEY
ATMOS ENERGY CORPORATION
5430 LBJ FREEWAY
1800 THREE LINCOLN CENTRE
DALLAS, TX 75240
shelly.bass@atmosenergy.com

KEVIN C FRANK, SENIOR ATTORNEY
ATMOS ENERGY CORPORATION
5430 LBJ FREEWAY
1800 THREE LINCOLN CENTRE
DALLAS, TX 75240
kevin.frank@atmosenergy.com

JEFF AUSTIN
AUSTIN LAW P.A.
7111 W. 151st St.
Suite 315
Overland Park, KS 66223
jeff@austinlawpa.com

JULIE AGRO
BLUEMARK ENERGY
4200 East Skelly Drive
Suite 300
Tulsa, OK 74135
jagro@bluemarkenergy.com

MIKE WESTBROCK
BLUEMARK ENERGY
4200 East Skelly Drive
Suite 300
Tulsa, OK 74135
westbrock@bluemarkenergy.com

LARRY WEBER
BONAVIA PROPERTIES, LLC
Garvey Center
250 W. Douglas, Suite 100
Wichita, KS 67202
larry@garveycenter.com

C. EDWARD PETERSON
C. EDWARD PETERSON, ATTORNEY AT LAW
5522 ABERDEEN
FAIRWAY, KS 66205
ed.peterson2010@gmail.com

BRYAN R. COULTER
CATHOLIC DIOCESE OF WICHITA
424 N. Broadway
Wichita, KS 67202
bryan.coulter@catholicdioceseofwichita.org

CERTIFICATE OF SERVICE

21-KGSG-332-GIG

JOSEPH R. ASTRAB, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
j.astrab@curb.kansas.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.nickel@curb.kansas.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
s.rabb@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.smith@curb.kansas.gov

JOSHUA HARDEN
COLLINS & JONES, P.C.
1010 W. Foxwood Drive
Raymore, MO 64083
jharden@collinsjones.com

KERRY MORGAN
COLLINS & JONES, P.C.
1010 W. Foxwood Drive
Raymore, MO 64083
kmorgan@collinsjones.com

DARCY FABRIZIUS
CONSTELLATION NEWENERGY-GAS DIVISON, LLC
1001 Louisiana Street
Suite 2300
Houston, TX 77002
darcy.fabrizius@constellation.com

LYNDA FOHN
CONSTELLATION NEWENERGY-GAS DIVISON, LLC
1001 Louisiana St., Ste. 2300
HOUSTON, TX 77002
lynda.fohn@constellation.com

JEREMY L. GRABER
FOULSTON SIEFKIN LLP
822 S Kansas Avenue
Suite 200
Topeka, KS 66612-1203
jgraber@foulston.com

JACOB G HOLLY, ATTORNEY
FOULSTON SIEFKIN LLP
822 S Kansas Avenue
Suite 200
Topeka, KS 66612-1203
jholly@foulston.com

C. EDWARD WATSON II., ATTORNEY
FOULSTON SIEFKIN LLP
1551 N WATERFRONT PKWY STE 100
WICHITA, KS 67206-4466
cewatson@foulston.com

CERTIFICATE OF SERVICE

21-KGSG-332-GIG

MONTGOMERY ESCUE, CONSULTANT
FREEDOM PIPELINE, LLC
PO BOX 622377
OVIEDO, FL 63762
montgomery@escue.com

KIRK HEGER
FREEDOM PIPELINE, LLC
1901 UNIVERSITY DRIVE
LAWRENCE, KS 66044
kirkheger@gmail.com

AMY L. BAIRD
JACKSON WALKER L.L.P.
1401 McKinney St.
Suite 1900
Houston, TX 77010
abaird@jw.com

JESSE LOTAY
JACKSON WALKER L.L.P.
1401 McKinney St.
Suite 1900
Houston, TX 77010
jlotay@jw.com

MELANIE S. JACK, ASSISTANT ATTORNEY GENERAL
KANSAS ATTORNEY GENERAL
Consumer Protection Division
120 SW 10th Ave., 2nd Flr.
Topeka, KS 66612
melanie.jack@ag.ks.gov

DEREK SCHMIDT, KANSAS ATTORNEY GENERAL
KANSAS ATTORNEY GENERAL
Consumer Protection Division
120 SW 10th Ave., 4th Flr.
Topeka, KS 66612
derek.schmidt@ag.ks.gov

BRIAN G. FEDOTIN, GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
b.fedotin@kcc.ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
c.masenthin@kcc.ks.gov

TERRI PEMBERTON, CHIEF LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
t.pemberton@kcc.ks.gov

JANET BUCHANAN, DIRECTOR- REGULATORY AFFAIRS /
OKE 13165
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421 W 129TH ST
OVERLAND PARK, KS 66213-2713
janet.buchanan@onegas.com

STEVEN M. BAUER
LATHAM & WATKINS LLP
505 Montgomery Street
Suite 2000
San Francisco, CA 94111-6538
steven.bauer@lw.com

NATHAN M. SAPER
LATHAM & WATKINS LLP
355 South Grand Avenue
Suite 100
Los Angeles, CA 90071-1560
nathan.saper@lw.com

CERTIFICATE OF SERVICE

21-KGSG-332-GIG

KATHERINE A. SAWYER
LATHAM & WATKINS LLP
355 South Grand Avenue
Suite 100
Los Angeles, CA 90071-1560
katherine.sawyer@lw.com

MARGARET A. TOUGH
LATHAM & WATKINS LLP
505 Montgomery Street
Suite 2000
San Francisco, CA 94111-6538
margaret.tough@lw.com

MOLLY WYLER
LATHAM & WATKINS LLP
355 South Grand Avenue
Suite 100
Los Angeles, CA 90071-1560
molly.wyler@lw.com

GLENDA CAFER, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
gcafer@morrislaing.com

KYLER C. WINEINGER, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
kwineinger@morrislaing.com

JEFF CHANAY, CHIEF DEPUTY
OFFICE OF ATTORNEY GENERAL
MEMORIAL HALL
120 SW 10TH AVE. 2ND FLOOR
TOPEKA, KS 66612-1594
jeff.chanay@ag.ks.gov

FRAN OLEEN, DEPUTY
OFFICE OF ATTORNEY GENERAL
MEMORIAL HALL
120 SW 10TH AVE. 2ND FLOOR
TOPEKA, KS 66612-1594
fran.oleen@ag.ks.gov

FRANK A. CARO, JR., ATTORNEY
POL SINELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
fcaro@polsinelli.com

ANDREW O. SCHULTE, ATTORNEY
POL SINELLI PC
900 W 48TH PLACE STE 900
KANSAS CITY, MO 64112
aschulte@polsinelli.com

RICHARD A. HOWELL, ATTORNEY AT LAW
RICHARD A. HOWELL
1401 McKinney Street
Suite 1900
Houston, TX 77010
rahowell@jw.com

RICHARD L. HANSON
RICHARD L. HANSON
16171 ROAD I
LIBERAL, KS 67901
rlhanson@wbsnet.org

LEE M. SMITHYMAN, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7421 WEST 129th STREET
OVERLAND PARK, KS 66213-2634
lee@smizak-law.com

CERTIFICATE OF SERVICE

21-KGSG-332-GIG

CONNOR A. THOMPSON
SMITHYMAN & ZAKOURA, CHTD.
7421 WEST 129th STREET
OVERLAND PARK, KS 66213-2634
connor@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7421 WEST 129th STREET
OVERLAND PARK, KS 66213-2634
jim@smizak-law.com

KELLY A. DALY
SNELL & WILMER, LLP
One Arizona Center
Phoenix, AZ 85004
kdaly@swlaw.com

STACY WILLIAMS, GENERAL COUNSEL
SYMMETRY ENERGY, LLC
1111 Louisiana St.
Houston, TX 77002
stacy.williams@symmetryenergy.com

TIMOTHY E. MCKEE, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK RD STE 300
WICHITA, KS 67226
temckee@twgfirm.com

DON KRATTENMAKER, VICE PRESIDENT
WOODRIVER ENERGY, LLC
633 17th St., Ste. 1410
Denver, CO 80202
don.krattenmaker@woodriverenergy.com

CHARLENE BALLARO WRIGHT
WRIGHT LAW FIRM
717 Texas Street
Suite 1200
Houston, TX 77002
cwright@wrightfirm.law

Abigail Emery

Abigail Emery